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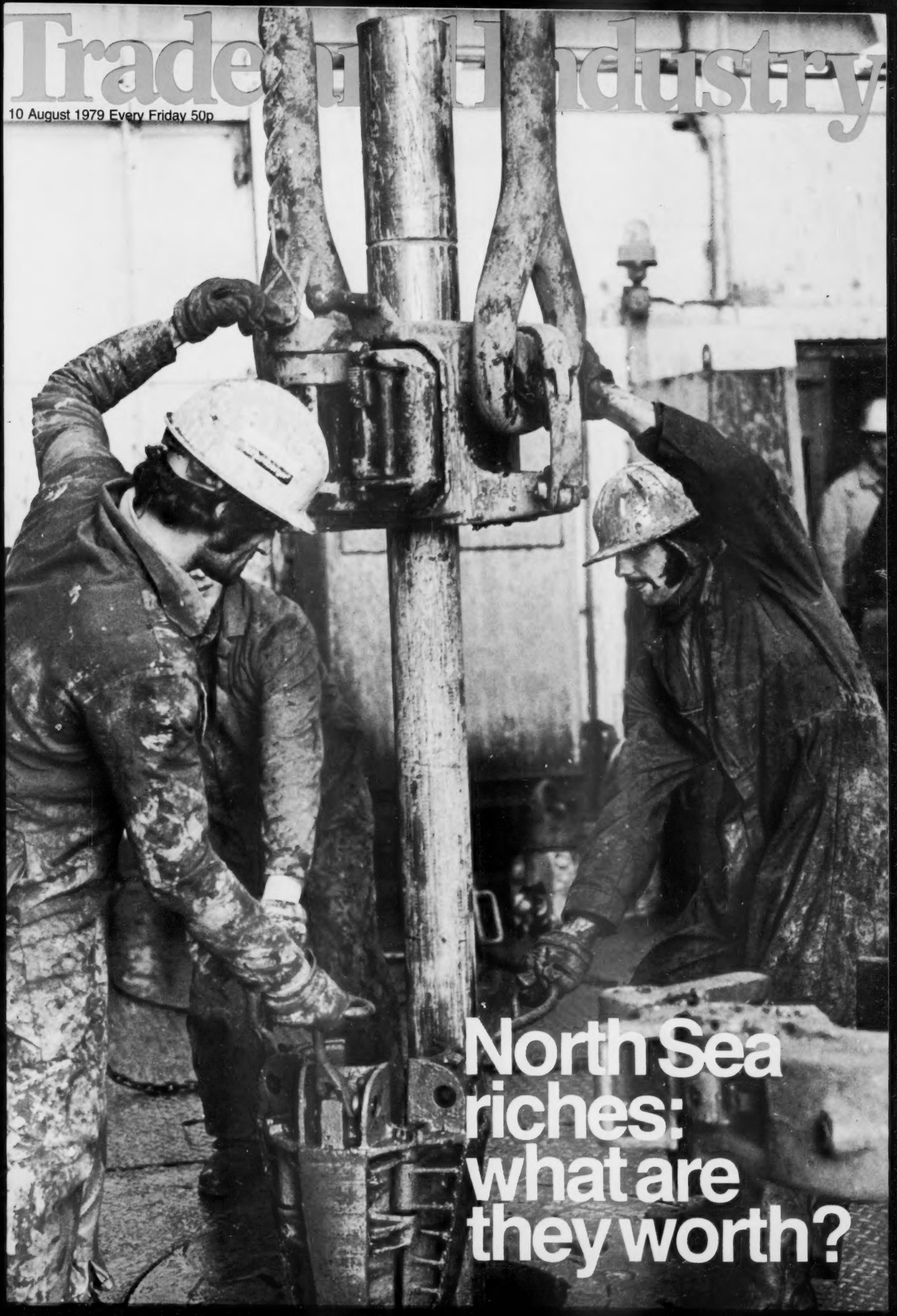

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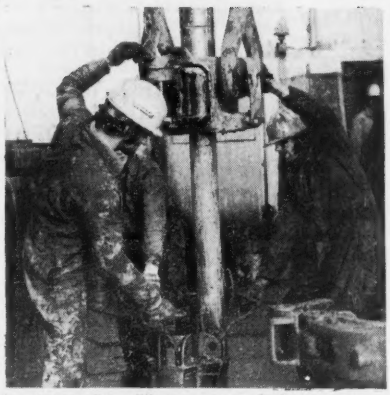
Trade and Industry

10 August 1979

Weekly news magazine of the Departments of Industry and Trade



Last year 54 million tonnes of oil were produced from the North Sea fields, equivalent to 57 per cent of UK oil needs and this year production has been running at an annual rate of 76 million tonnes. An article on the North Sea oil and gas industry's contribution to the economy includes future estimates (page 291).

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Editorial
Eleventh floor, Millbank Tower, Millbank,
London SW1P 4QU
Telex 918829 answer back MBTWRG
Editorial inquiries 01-211 6088
01-211 6188
01-211 6177

Managing editor	Alan Williams	
Editor	Gillian Samuel	
Home news, statistics and art	Bob Priestley John Rowles	
Overseas and technology news	Peter Curtis Geoff Heaford	
EEC news	Jim Hogan	
Special features	Ann Edge	
Business manager	Raymond Wilson	01-211 6112
Assistant business manager	Jackie Stephens	01-211 6136
Circulation control		01-211 6074

Advertisement department
13 Great James Street, London WC1N 3DP 01-242 9478
Telex 299043 answer back ADDEPT G

Advertisement director	Dudley Masters	
Advertisement Manager	Austin Hogarth	
Advertisement executive	Chris Atkin	

Subscriptions: HMSO, PO Box 569, London SE1 9NH
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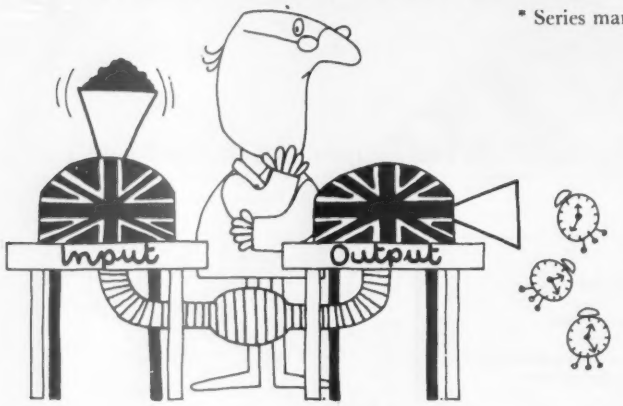
Late deliveries

We apologise to those subscribers who have been experiencing delays in receiving their copies of 'Trade and Industry' in recent weeks. The delays are the result of an industrial dispute at HMSO.

Economic indicators at a glance

* Series marked with an asterisk are not seasonally adjusted.



Output

Gross domestic product. The output measure of gdp fell by 1 per cent between fourth quarter 1978 and first quarter 1979, largely as a result of bad weather and industrial disputes, especially in the road haulage industry. Manufacturing output fell by 1 per cent and the output of the construction industry, particularly dislocated by the severe weather, dropped 10 per cent. These falls were partially offset by a rise in the output of both the gas, electricity and water industries and the mining and quarrying industries, the latter incorporating the steady growth in North Sea oil production. Within the service industries, also affected by the bad weather and industrial disputes, the fall in output of the transport industries was 6 per cent.

Index of industrial production. Provisional estimates for the first five months of 1979 suggest that, in total, the underlying level of industrial output remained much the same as it was in summer 1978, a reduction in manufacturing industries' output being broadly offset by an increase in the output of the energy sector. The provisional estimate for all industries in May is 113.9 (1975 = 100).

Consumers' expenditure

Consumers' expenditure on the first preliminary estimate, rose by 3½ per cent in second quarter 1979. There were increases in expenditure in all areas of retail sales and in particular on durable goods. Expenditure on vehicles and alcoholic drink also showed a large increase while that on fuel and light fell sharply. Expenditure in the latest two quarters taken together rose by 3 per cent and was 5½ per cent higher than a year earlier.

Retail sales. The revised index for the volume of retail sales in June confirmed that sales were at a record high level as a result of both pre-budget spending and high sales before the increase in VAT, announced in the budget, took effect. The increase in sales was especially marked in non-food shops with sales of durable goods 15 per cent higher than in May. Trade in the first half of 1979 was 2 per cent higher than in the second half of 1978. There were increases of 2 per cent in food shops, 6 per cent in durable goods shops and 1 per cent in 'other non-food' shops. Sales in clothing and footwear shops were unchanged.

Prices and costs

Wholesale price index* (provisional) for materials and fuel purchased by manufacturing industry was virtually unchanged in July. The June index was revised to take account of some of the oil price increases that were backdated to 1 June. In July further higher prices for oil, cushioned to a large extent by the appreciation of sterling, and higher prices for coal were largely offset by the fall in prices for materials other than crude oil. In the latest three months the index increased by 5½ per cent and was 11½ per cent higher than a year earlier. This reflects the faster increase that has occurred in the index over recent months. The provisional wholesale price index for home sales of manufacturing industries rose by 2¼ per cent in July. Higher prices for petroleum products were again a major cause of the increase. The increase in the index over the past year shows signs of accelerating from the turn of the year.

Retail prices index* rose sharply, by 1¾ per cent in June. Over a third of the increase was due to rises in the prices of food, particularly milk and bread. Higher petrol prices and the reduction in tax relief on mortgage interest payments also added to the increase in the index. The year-on-year increase rose again to reach 11.4 per cent in June. The budget changes to indirect taxes are expected to add about 3½ per cent to the RPI by the end of this year. The first stage, about 3 per cent, should be reflected in the index for July.

Terms of trade* In the second quarter 1979 export prices rose faster than those of imports and the terms of trade index rose by ½ per cent on the previous quarter and by 3 per cent on a year earlier.

UK competitiveness, measured by normalised unit labour costs, worsened again in 1978 Q4 as sterling continued to rise.

End of the line for a Panasonic music centre in the company's new audio factory at Pentwyn, Cardiff, is a thorough once-over from Janice Berriman. Having manufactured tvs in Wales since the end of 1976, Panasonic began building music centres at Pentwyn at the end of last year. They are sold on the home market, and also exported to the continent.

Investment

Manufacturing industry's volume of fixed investment (revised figures) fell by less than 1 per cent in the six months ending 31 March but was 4½ per cent higher than a year earlier. However, excluding the iron and steel industry investment increased by 1 per cent in the latest two quarters and was 9½ per cent higher than a year earlier.

Distributive and service industries' volume of fixed investment (excluding shipping) rose by about 2½ per cent in 1979 Q1.

The DoI investment intentions survey carried out in April/May confirms the results of the previous surveys which indicated a further increase in 1979 in the volume of investment by both manufacturing industry and the distributive and service industries (excluding shipping). It also supports the previous expectation that the upward trend in investment will continue in 1980 for the distributive and service industries but probably not for manufacturing. The volume of investment by manufacturing, which rose by 7 per cent in 1977 and 8 per cent in 1978, is expected to increase by 2 to 5 per cent in 1979 (against 4 to 8 per cent expected by the December survey), with possibly a slight fall in 1980. Investment by the distributive and service industries (excluding shipping) is expected to rise in 1979 for the fourth consecutive year. The latest information indicates that the outcome is likely to be in the range 5 to 7 per cent, with a further increase of similar magnitude in 1980.

Incomes

Real personal disposable income (rpdi) was unchanged in first quarter 1979 but was 7½ per cent higher than a year earlier. The savings ratio fell to 15 per cent – about the average for the year ended first quarter 1979.

Average gross earnings* (new series not seasonally adjusted) rose by about 1½ per cent in May although the year-on-year increase fell slightly from 13.5 per cent to 13.2 per cent. By May about half of these workers covered by major agreements had settled and received increases, slightly fewer than a year earlier. Average earnings have increased by 9¾ per cent in the current pay round compared with 10½ per cent at the corresponding time

last year, still suggesting that the outcome of the present pay round will be much the same as last year's.

Labour

Unemployment. Registered unemployment (excluding school leavers) was unchanged in July at 1 278 700 (5.3 per cent of all employees). The level of unemployment is now about 145 000 lower than the peak at the end of 1977. This reflects the steady decline in 1978 and a further fall in second quarter 1979 after the rise in first quarter associated with the severe weather and the transport disputes. The number of school leavers registered as unemployed (not seasonally adjusted) rose in July by 71 756 to 215 526. The level is somewhat lower than a year ago.

Unfilled vacancies (mainly for adults) notified to employment offices fell by 9 400 in July. In general the level has been rising since the trough at the end of 1975. In the latest three months vacancies were 23 per cent higher than a year earlier.

Companies

Gross trading profits of industrial and commercial companies, excluding those engaged in North Sea oil and gas activities and net of stock appreciation, fell by over 20 per cent in first quarter 1979 as a result of the severe weather and industrial disputes. In the latest two quarters combined, profits were 6½ per cent lower than a year earlier.

Liquidity of the (large) industrial and commercial companies replying to the DoI's company liquidity survey fell appreciably in the first quarter 1979, bringing their net current assets and liquidity ratio to the lowest levels since mid-1977. Liquidity has now fallen for three consecutive quarters, after rising strongly from the third quarter 1977 to the second quarter 1978.

Net borrowing requirement of industrial and commercial companies in 1979 first quarter was greater than that for 1978 as a whole, partly reflecting the industrial disputes in the quarter.

Balance of payments

Current account of balance of payments in the first half of 1979 was in deficit by £1,018 million. The latest figures have been distorted by the effects of the road haulage dispute and the irregular flow of information to Customs and Excise. On a 'distortion-free' basis the current account, with an erratically high level of imports, is likely to have been in deficit by around £1.9 billion in the first half 1979. There was a recorded deficit of £1,742 million on visible trade in the first half of 1979 (£290 million a month) compared with a deficit of £406 million (£68 million a month) in the second half of 1978. The projected surplus on invisibles in the first half of 1979 of £724 million contains a lower figure for the second quarter reflecting higher net contributions to the EEC.

UK official reserves* increased by $1,429 million during July in spite of the rise in the effective sterling exchange rate. This substantial increase was after a net repayment of $194 million by the public sector under the exchange cover scheme and a scheduled repayment of $82 million in respect of drawings on the IMF's oil facility. There was a revaluation of $350 million arising from an exchange of gold for European Currency Units (Ecu) with the European Monetary Co-operation Fund.

Volume of trade. In the first half of the year the volume of exports was 2 per cent below the level of the second half of 1978. A lower level of deliveries to Iran and Nigeria contributed to this weak performance but even allowing for this there has been some deterioration in the upward trend in export volume so far this year. The volume of imports has increased sharply in the same period with large increases in imports of chemicals and road vehicles.

DoT's survey of short-term export prospects, based on replies received from 57 large exporting companies, suggests that the total volume of UK visible exports will rise by about 2 per cent in 1979, a slower growth rate than the 3½ per cent in 1978. A rise in volume of 5 to 6 per cent is expected in the second half of 1979, following the fall in volume of 2 to 3 per cent in the first half of 1979. Respondents expected the year-on-year rise in export prices to be 13 per cent in the rest of 1979 compared with 9½ per cent in the first quarter and around 4 per cent in 1978.

Exchange rate

Effective sterling exchange rate* index rose strongly in July, by 5 per cent, and its average for the month of 71.9 was the highest since the beginning of 1976. After reaching a four-year peak the previous week of 74.0 the index fell during last week and was 72.2 at the close on Thursday 2 August (December 1971 = 100).

Finance

Public sector borrowing requirement (PSBR) fell to £2.6 billion in the fourth quarter of the financial year 1978-79. The PSBR for the full financial year amounted to £9.2 billion.

Domestic credit expansion was quite large during the banking month to mid-June and in the previous two months. In June the central government borrowing requirement was high but this was more than offset by substantial net purchases of government debt by the UK non-bank private sector: there were high sales of gilts – including instalment proceeds from a previous new issue – and sizeable purchases of Treasury bills. Bank lending in sterling to the private sector, which has more than accounted for the large DCE since the beginning of the year, grew strongly again in June – by £0.9 billions.

Sterling M3 rose by 1.1 per cent during June. The rise in £M3 of £0.6 billion was less than domestic credit expansion mainly because the banks' non-deposit liabilities rose strongly (ie their liabilities to shareholders). External and foreign currency finance showed little change this month. The increase in the reserves was offset by a further rise in overseas residents' sterling deposits and overseas holding of public sector debt. In the eight months since mid-October 1978 £M3 grew by 13.3 per cent at an annual rate – somewhat above the old guidelines. The new guidelines for the growth of £M3 from mid-June 1979 to mid-April 1980 are 7 to 11 per cent at an annual rate.

Bank of England minimum lending rate (MLR) – 14 per cent, effective from 13 June.

Exchange rates

The bank note rates of exchange in London on 3 August are given below. Supplied by Thomas Cook Bankers Ltd, the rates are intended as a guide only and are subject to fluctuation. OECD countries are shown in bold.

		You buy at	You sell at			You buy at	You sell at
Afghanistan	Afghani	125	145	**Japan**	**Yen**	**490**	**515**
Andorra	(See France/ Spain)	—	—	Jordan	Dinar	0.69	0.73
				Korea	Won	1 200	1 600
Antigua	E. Caribbean dollar	5.50	5.70	Kuwait	Dinar	0.63	0.66
				Lebanon	Livre	7.50	8.00
Argentina	Peso	2 800	3 500	Liberia (see USA)		—	—
Australia	**Dollar**	**2.0000**	**2.0600**	Libya	Dinar	0.89	0.96
Austria	**Schilling**	**29.75**	**31.75**	**Luxembourg (see Belgium)**	**Franc**	**—**	**—**
Bahamas	Dollar	2.28	2.43				
Bahrain	Dinar	0.875	0.91	Madeira (see Portugal)	Escudo	—	—
Barbados	Dollar	4.40	4.73				
Belgium	**Franc**	**68.00**	**70.50**	Malaysia	Dollar	4.92	5.14
Belize	Dollar	4.50	5.08	Malta	Pound	0.77	0.80
Benin	CFA	488	508	Mauritius	Rupee	13.00	14.50
Bermuda	Dollar	2.26	2.40	Mexico	Peso	49	56
Bolivia	Peso	58.00	64.00	Monaco (see France)	Franc	—	—
Botswana	Pula	2.00	2.20				
Brazil	Cruzeiro	65.00	75.00	**Netherlands**	**Guilder**	**4.49**	**4.72**
Brunei	Dollar	4.92	5.12	**New Zealand**	**Dollar**	**2.21**	**2.30**
Cameroon	CFA	488	508	Nigeria	Naira	2.40	Refer
Canada	**Dollar**	**2.64**	**2.72**	**Norway**	**Krone**	**11.27**	**11.72**
Chile	Peso	79	94	Oman	Rial	0.795	0.84
China	Ranimbi Yuan	Refer	Refer	Pakistan	Rupee	Refer	Refer
				Peru	Sol.	500	600
Colombia	Peso	87	102	Philippines	Piso	15.50	18.50
Costa Rica	Colon	20.00	22.00	**Portugal**	**Escudo**	**107.00**	**112.00**
Cyprus	Pound	0.76	0.80	Qatar	Rial	8.65	9.00
Denmark	**Krone**	**11.78**	**12.28**	Saudi Arabia	Rial	7.54	7.90
Dominica	E. Caribbean dollar	2.50	2.75	Seychelles	Rupee	12.87	13.35
				Sierra Leone	Leone	2.35	2.60
Ecuador	Sucre	57	67	Singapore	Dollar	4.79	5.05
Egypt	Pound	1.6500	1.7500	South Africa	Rand	2.00	2.15
Eire	**Pound**	**1.08**	**1.12**	**Spain**	**Peseta**	**147**	**154**
Fiji	Dollar	1.87	1.95	**Sweden**	**Krona**	**9.42**	**9.80**
Finland	**Markka**	**8.64**	**8.99**	**Switzerland**	**Franc**	**3.71**	**3.93**
France	**Franc**	**9.48**	**9.88**	Syria	Pound	9.50	10.50
Germany, FR of	**Deutschmark**	**4.09**	**4.31**	Taiwan	Dollar	80	100
Gibraltar	Pound	1.00	1.05	Thailand	Baht	41	47
Greece	**Drachma**	**80.00**	**84.00**	Trinidad and Tobago	Dollar	5.60	6.70
Grenada	E. Caribbean dollar	5.50	5.70				
				Turkey	**Lira**	**101**	**106**
Guyana	Dollar	10	Refer	Uganda	Shilling	Refer	Refer
Hong Kong	Dollar	11.45	11.88	United Arab Emirates	Dirham	8.65	9.00
Iceland	**Krona**	**900**	**945**				
Indonesia	Rupiah	1 400	1 700	**USA**	**Dollar**	**2.26**	**2.32**
Iran	Rial	Refer	Refer	Venezuela	Bolivar	9.00	10.00
Iraq	Dinar	0.85	0.92	Yemen Arab Republic	Rial	12.50	14.50
Israel	Pound	56	60				
Italy (20 000 and smaller)	**Lira**	**1 815**	**1 900**	Yugoslavia	Dinar	44.00	46.00
				Zambia	Kwacha	Refer	Refer

Where more than one rate applies to a currency, the rate given is that for small denomination notes.

More information

For a backrun of figures for some of these indicators see 'The economy: selected indicators', page 311. Inquiries on any of these indicators should be addressed to Economics and Statistics Division 4B, Departments of Industry and Trade, Room 173, 1 Victoria Street, London SW1H 0ET, tel. 01-215 3453.

Home news

New road policy geared to industry's needs

Trunk roads policy will be directed to meeting the needs of industry, to ensuring for everyone a reasonable level of personal mobility, to reducing accidents and to minimising harmful effects on the environment, Normal Fowler, Minister of Transport said on 27 July. In a statement on government policy for trunk roads he said that progress on road-building would depend upon the continuing need to contain public expenditure. The road programme would be reviewed in detail and a white paper on roads policy would be published as soon as possible after the conclusion of the current discussions on spending. Expenditure on new trunk roads was likely to remain significantly lower in real terms than in the early 1970s, but investment in new and improved roads would continue to be needed on a substantial scale at least until the late 1980s.

Mr Fowler said that, within whatever funds were available, the most urgent task would be the completion of the M25 orbital route around London. But almost as important was the completion of other routes carrying heavy industrial traffic, especially those – such as the routes to the ports – which would aid the development of exports. These would of themselves provide substantial relief to many areas with severe problems of congestion and environmental damage, but priority would also be attached to other schemes designed to relieve towns and villages where these problems are at their worst. The government would also give weight to schemes which removed constraints on regional development or assisted the regeneration of inner-city areas.

The government aimed to create a climate in which there could be fair competition between the different forms of transport. Although there would be continuing financial support for public transport services, the government 'will not seek to restrict transport users' freedom of choice of method for inter-urban travel or for freight carriage'.

The government has carefully considered the implications of present energy problems for the road programme, added Mr Fowler. The forecasts currently used in assessing the need for schemes were based on a range of long-term assumptions which allowed not only for the recent increase in petrol prices, returning them in real terms to the peak levels of 1975/76, but also for further increases in real petrol prices in future. While it was possible to envisage circumstances in which the volume of traffic might be reduced by an interruption in oil supplies, the government did not consider that it would be sensible to rely on the possibility of fuel shortages to solve the problems of delays on major industrial routes and of intrusion by heavy traffic into towns and villages. Improvements in the road system would continue to be required, but new roads would be constructed only where there was existing need for them.

Credit unions act comes into force

Credit unions will be able to register with the Registry of Friendly Societies when Credit Unions Act 1979 comes into force on 20 August. Three orders were laid before parliament on 30 July to give effect to the act from that date. One of them requires that any investments made by credit unions must be readily realisable.

The Chief Registrar of Friendly Societies will publish in the London and Edinburgh *Gazettes*, as soon as the act comes into force, an order listing the banks with which credit unions may keep their surplus funds.

It is important that existing credit unions in Great Britain should be registered with the chief registrar by 1 April 1980 at the latest. This is because the Banking Act 1979 will make it illegal for credit unions to continue taking deposits from their members after 1 April 1980 unless they are registered.

An order was made on 27 July setting 1 October 1979 as the date when the Banking Act comes into force. One effect of this is that no new credit union will be able to operate from that date unless it is registered. Existing credit unions, like other existing institutions, will be allowed to continue for up to six months without new authority.

But from 1 April 1980 all credit unions will need to be registered, and other institutions will need to have applied to the Bank of England for authorisation as a recognised bank or as a licensed deposit-taking institution.

Application forms for registration as a credit union will be available from the Registry of Friendly Societies, 17 North Audley Street, London W1Y 2AP.

Banking act in operation

Certain provisions of the Banking Act will come into operation on 1 October, Nigel Lawson, Financial Secretary of the Treasury, announced on 27 July. They are: part I – all sections; part III – all sections; part IV – sections 38, 40 to 45, 47 to 48(6), 49 to 50 and 52.

Part I sets up a statutory framework for the authorisation and supervision of deposit-taking institutions by the Bank of England and part III provides for the control of advertisements for deposits and for certain restrictions on the use of banking names and descriptions. Part IV contains various miscellaneous and general provisions.

It is intended that the remaining provisions of the act – mainly the deposit protection scheme – will be brought into operation some six months after 1 October or once the bulk of applications for deposit-taking authority have been dealt with. A further statutory instrument will be made in due course.

The Banking Act, which received royal assent on 4 April, provides a statutory framework for the prior authorisation and supervision of deposit-taking institutions by the Bank of England.

Control and supervision of the primary banking sector (including the clearers, discount and accepting houses and major foreign banks) has always been the particular responsibility of the Bank of England as the

central bank, although until the passing of the act this supervision was on a non-statutory basis. The act grew out of the secondary banking crisis of 1973/74; it also fulfils the UK's obligations under the EEC first directive on credit institutions.

Tax relief for business loan costs being considered

Legislation next year to allow the cost of raising business loan finance as a deduction for tax purposes is being considered by the government.

Treasury minister of state Peter Rees said in a written parliamentary answer on 31 July that he had considerable sympathy with the proposal and he knew that a number of representative bodies attached a great deal of importance to it.

There were, however, a number of substantial issues about the type of finance and the nature of the expenses which needed to be fully considered before legislation could be introduced, he said. These matters were a suitable subject for consultation and he had authorised the Inland Revenue to seek views to establish whether agreement could be reached on a scheme of relief 'in this limited and relatively self-contained area with a view to possible legislation next year'.

A discussion document considers the type of finance to which the proposed relief should apply, the method of allowance and the type of expenses which might qualify for relief. Copies are available from the Public Enquiry Room, New Wing, Somerset House, Strand, London WC2R 1LB.

New solvency margin regulations for Lloyd's

Lloyds has to meet certain solvency requirements for its general insurance business under new regulations under the European Companies Act 1972. Prepared in consultation with Lloyds, they apply the solvency provisions of the EEC non-life insurance establishment directive to its operations.

Lloyd's as a whole will be required to meet, for the totality of general insurance business carried on by its members, the solvency requirements that apply, with certain exceptions, to insurance companies under the margin of solvency regulations made in 1977.

Order ends special office development control

Special control on office development ended on 6 August when the Control of Office Development (Cessation) Order 1979 came into operation. Applications for planning permission for office development no longer need to be supported by office development permits from the Secretary of State for the Environment.

Ending the control means that many of the conditions contained in office development permits which were imposed on planning permissions as a result of the control will lapse. But where a local authority has certified that a condition is one which it would have imposed irrespective of the control, the condition will continue to be effective. This will be a condition which could have been imposed as a normal land use planning condition.

Since June 1977 the control has applied to office developments of over 30 000 sq ft within the south east economic planning region.

The ending of the control brings section 86(2)-(4) of the Town and Country Planning Act 1971 into operation. This deals with the effect of abolition on conditions imposed or deemed to have been imposed on planning permissions in accordance with office development control policy. Deemed conditions will lapse, and other conditions will lapse unless certified by the local authority.

The ending of the control also means that any planning permissions granted before 5 August 1965 but suspended when the control first came into operation will automatically become effective again. The statutory time limits applying to planning permissions will run from 6 August.

Payments on termination of employment: tax proposals

A consultative paper on the tax treatment of payment made on termination of employment has been proposed by the Inland Revenue.

It is proposed that the distinction between payments for compensation for loss of office and other terminal payments should be ended. Another proposal is that the top-slicing relief at present used in calculating the tax payable on termination payments should be discontinued, and instead only half the excess of such payments over the prescribed threshold should be taxed.

Copies of the consultative paper are available from the Public Enquiry Room, New Wing, Somerset House, Strand, London WC2R 1LB. Views should be sent in writing, preferably before the end of November, to the Secretary, Inland Revenue, Room 46, New Wing, Somerset House.

First pay comparability commission reports

First reports of the standing commission on pay comparability, chaired by Professor Hugh Clegg, were published by the government on 1 August.

The reports cover the results of the commission's pay comparability studies on local authority and university manual workers, national health service ancillary staffs, ambulancemen and university technicians. These cases were referred to the commission by the last government, which undertook, with the parties to the references, to accept the recommendations for rates of pay which the Commission was asked to make for these groups.

This government has undertaken to honour this commitment and the rates of pay recommended will be implemented on the agreed dates. The government has, however, made it clear that it will be necessary to consider reductions in public expenditure to offset the cost of implementing the awards.

The government has already agreed that the commission should complete its work on other cases referred to it. These include nurses, teachers, local authority craftsmen and other smaller groups.

Oppenheim spells out fire hazards of upholstered furniture

'All upholstered furniture must be resistant to ignition by cigarettes,' said Sally Oppenheim, Minister for Consumer Affairs when she visited the Fire Research Station at Boreham Wood on 24 July.

Initially this would mean that a covering or interlining would have to be used to meet the requirements of the proposed British Standard to be laid down in new regulations. After a short transitional period, when warning labels would be used, manufacturers and importers would have to comply with rules about flame resistance.

Commenting on suggestions that polyurethane foam should be banned altogether, Mrs Oppenheim said, 'Polyurethane foam is not by any means the only filling material to cause fire hazards. There are other fillings which could prove even more dangerous. In banning polyurethane foam we would not elimate those dangers. For example, latex foam smoulders longer, flames more quickly and smokes more. Horse hair and wadding is slower to ignite but ultimately, when burning, gives off toxic gases which can be just as lethal'.

She said that the use of flame-resistant covering for all upholstered furniture would avoid those dangers except in extreme circumstances such as deliberate ignition or total irresponsibility.

Mrs Oppenheim continued: 'This is why I consider that control of covering is at present likely to be more practical and more effective than banning the foam itself. What I believe will happen is that if manufacturers find that the flame-resistant coverings are creating cost problems, more urgent research into safer foam fillings will follow. If such research produces a safer and more economical alternative to polyurethane foam, so much the better and I hope this may well be the final outcome.'

Higher density foam, used to meet Department of Environment standards, and introduced for reasons not connected with flammability, is only marginally slower to ignite but costs significantly more. The required standards are only met when suitable coverings or interlinings are used, similar to those proposed in the new regulations.

Subject to the outcome of consultations now in progress on the proposed regulations, enforcement will take place at the premises of manufacturers or importers and not at retail level.

Mrs Oppenheim said that no time would be wasted in bringing the regulations into effect. She added: 'Even when this has occurred, I shall still be keeping a watchful eye open for new developments and will carefully monitor the effects of the new legislation in terms of fires

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PUBLIC AUCTION SALE

BRISTOL

A public auction sale of surplus government furniture and equipment has been arranged at the DOE PSA Supplies Store, Bay 5, Aston Vale Road, Bristol, Avon BS3 2HJ. The sale will commence at 10.00 hours on the 15th August and viewing will be allowed from 10.00 to 16.00 hours on the day previous.

The auctioneers are Messrs Stanley Alder and Price, 7 St Stephens Street, Bristol, Avon BS1 1EG. Telephone 0272 299151 and catalogues will be available directly from them, price 15p.

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prevented and lives saved. My overriding priority is and will remain to avert the terrible tragedies of the past and to make them very much less likely to occur in the future.'

Mrs Oppenheim, replying to a parliamentary question on May 23 (*Trade and Industry*, 1 June 1979, page 376) said that regulations would be made requiring all upholstered furniture supplied or offered for supply in the United Kingdom to be resistant to ignition from smokers' materials.

Tear-gas capsules banned

Dangerous tear-gas capsules are to be banned. Sally Oppenheim, Minister of State for Consumer Affairs, has made a prohibition order, which was published on 1 August.

The order, which comes into force on 20 August, prohibits the supply of capsules designed to afford amusement through the tear-inducing properties they contain. If splashed into the eyes, the contents could cause permanent damage to sight.

Copies of 'Tear-gas Capsules (Safety) Order' are available from HMSO, 10p.

Metricated butter

Butter is the latest major food to go metric. After 26 August all prepacked butter in the shops will be in metric quantities.

A new 250 gram metric pack replaces the old eight ounces; a 500 gram pack replaces 1 lb. These metric packs weigh just over 10 per cent more than the sizes they replace. Whilst they will go further, they may cost more for the extra butter, says the Metrication Board.

Commenting on the change, board chairman Max Wood, said: 'The board's policy is to seek assurances from manufacturers and producers that weight for weight their prices stay the same during each metric change. In the case of butter this was quite impossible because of keen price competition plus the higher EEC subsidy and the recent devaluations of the green pound. But members of the Association of Butter and Cheese Packers, who are most affected by the change, have agreed not to increase their packing charges while butter is changing over to metric sizes in the shops. Packing accounts for under 10 per cent of the total price of butter.'

Packing and importing of the old sizes of butter ceased on 14 July. The new packs will be appearing in the shops from now onwards.

The board publishes a 'Shopping in metric 1979' leaflet, which helps customers compare weights and prices between the old and new packs. It is available from retailers or from the Metrication Board (Publications), Millbank Tower, Millbank, London SW1P 4QU.

Energy Commission to go

The Energy Commission is to be disbanded, announced David Howell, Secretary of State for Energy. The decision follows a review of the commission's role in the context of the overall

contd. on page 288

Ice cream giants criticised in monopolies report for operating against public interest

Monopolies in the ice cream and water ices industry operate against the public interest in a number of respects. This conclusion of the Monopolies and Mergers Commission is revealed in its report, 'Ice Cream and Water Ices', HMSO, £4.50, on the supply in the United Kingdom of ice cream and water ices, published on 2 August.

Announcing publication of the commission's report, John Nott, Secretary of State for Trade, said that the commission had found that two scale monopoly situations existed in favour respectively of Unilever, T. Wall and Sons (Ice Cream), Walls-Whippy, Treat Investments and Treat Holdings and its subsidiaries listed in the report (referred to as Wall's) and J. Lyons and Co, Lyons Ice Cream Holdings, Glacier Foods and its subsidiaries and Lyons Maid and its subsidiaries listed in the report (referred to as Glacier). In addition, the commission had found a complex monopoly situation to exist in favour of the same companies (with the exception of Treat Investments and Treat Holdings and its subsidiaries) and some other suppliers of ice cream and water ices who employed one or more of three practices identified by the commission as restricting competition.

Mr Nott went on to say that the commission had considered the effect on the public interest of these monopoly situations and had concluded that a number of practices employed by

both the scale and complex monopolists were against the public interest. They had made recommendations designed to remedy the adverse effects which they had identified. Mr Nott accepted the commission's conclusions. He therefore intended to ask the director general of fair trading to discuss with the parties, in the light of the commission's recommendations and other suggestions, the action that should be taken and the undertakings to be given by the parties to remedy the adverse effects on the public interest identified by the commission.

The commission's findings

Monopoly situations

The commission estimated that the companies referred to as Wall's supplied between them at least 37 per cent (by value) of the United Kingdom market for ice cream and water ices in 1976, and that those referred to as Glacier supplied between them at least 27 per cent (by value) of the United Kingdom market for ice cream and water ices in 1976.

Practices employed by the companies in whose favour the commission found a complex monopoly situation were:

1 The requirement by a supplier that only ice cream and water ices supplied by itself should be sold from certain outlets which it supplied, or

2 That only ice cream and water ices supplied by a particular supplier could be stocked for sale in refrigerated cabinets provided by that supplier, and

3 The practice of recommending retail prices.

It was clear that companies employing one or more of these practices supplied over 25 per cent of ice cream and water ices supplied in the United Kingdom as two of the suppliers, Wall's and Glacier, each supplied over 25 per cent.

Public interest

The commission then considered the effect on the public interest of these monopoly situations. They felt that competition in the grocery sector appeared to be strong, stimulated by the pressure of large price-conscious buyers, but found that competition in the traditional sector (eg confectioners, tobacconists and newsagents shops) was limited.

They went on to consider a number of practices which appeared to have helped to bring this situation about. The commission concluded that the complex monopoly situation operated against the public interest in relation to exclusive supply to retail outlets and, in the particular circumstances described below, the requirements relating to exclusive use of refrigerated cabinets (practices 1 and 2 above) and that these practices and some practices of the individual scale monopolists operated against the public interest.

They did not find that the practice of recommending retail prices (practice 3 above) and of supply of cabinets for exclusive use in other circumstances operated against the public interest.

The commission also hoped that, in the longer term, both Wall's and Glacier and other suppliers concerned would be able to adapt their arrangements for supplying retailers so that those customers who wished to buy their own cabinets found it easier and cheaper to do so than at present. It also suggested that both Wall's and Glacier should encourage their jointly owned subsidiary, Total Refrigeration, to offer its services in cabinet installation and maintenance on a normal commercial basis to their customers as a complement to any opportunites afforded customers of buying their own refrigerated cabinets.

government examination of public and advisory bodies.

Mr Howell said that while he intended to consult widely in the formulation of energy strategy and on energy matters generally, he did not believe that the Energy Commission was the most effective means of achieving that consultation. He had therefore decided that it should be disbanded. His department's policy, however, of providing background and policy papers would continue and he would consult directly as necessary with those concerned.

In addition, there would in future be close involvement by parliament, through the new select committee, on energy matters.

National energy bill tops £17 billion

The UK spent over £17 thousand million on energy last year, about £1 thousand million more than in 1977. This works out at about £47 million a day – an average of £6 a week for every man, woman and child in the country. Spending on energy for use in the home accounted for more than a quarter of the total.

However, the amount of energy used rose only slowly during the year, with primary fuel consumption just half a per cent higher than in 1977 at the equivalent of 340 million tonnes of coal.

Taken overall, fuel prices in 1978 rose far less than in recent years. For example, retail prices of fuel and light increased by about 6 per cent, during 1978, compared with an average increase of 22 per cent a year over the previous four years. Gas and oil prices in particular were very stable and some oil products, notably petrol, cost less than in 1977.

During the year the UK produced the equivalent of 288 million tonnes of coal, 80 per cent of the country's primary fuel requirement. North Sea oil and gas accounted for more than half of energy production.

These facts are shown in the 'Digest of United Kingdom energy statistics 1979', published by the Department of Energy on 31 July (HMSO, £6).

Manufacturing industries, which slightly increased their output, used about 1½ per cent less fuel than in 1977. Consumption in public administration (establishments such as government and local authority buildings, hospitals and schools) was also down by 1 per cent.

Fuels used in air and road transport, including private cars, rose by 8 and 5 per cent respectively. In the home fuel use rose by 2 per cent and in the commercial sector by 3 per cent.

but hospitals cut bill by £20 million

In a drive to cut the energy bill in hospitals, £20 million has been saved by the Department of Health and Social Security on its national health service energy bill, now running at £130 million a year.

The health service consumes two million tonnes of coal equivalent in its work which includes the country's biggest laundry business and 'hotel' operation – providing beds for 400 000 at any one time.

Details of the latest cuts in the NHS energy bill – totalling 18 per cent – are contained in the July edition of *Energy management*, published by the Department of Energy on 31 July. In an article by one of the department's senior engineers, techniques developed to spotlight anomalies in energy use are described.

Energy management also contains details of the energy manager groups' meeting with David Howell, Secretary of State for Energy. Mr Howell urged company chairmen and managing directors to institute new oil and energy saving measures. He said, 'I am telling top management that industrialists have now got to move as fast as they can to improve energy efficiency and energy economy quite dramatically. If they don't then they will only have themselves to blame for accelerating costs and decreasing competitiveness and an even larger incursion of the energy cost element into their own overall pattern of industrial profits.'

Industries generate 14 per cent of own electricity

Industry, transport and public administration produce 14 per cent of their own electricity, says a survey report issued on 26 July by the Department of Energy.

The report 'Inquiry into private generation of electricity in Great Britain 1977', publishes the results of a survey conducted to establish the proportion of electricity, generated privately, which came from combined heat and power plants, and the capacity and types of plant used for electrical generation.

The electricity produced by 235 establishments in Great Britain totals 17 terawatt/hours (17 million million watt/hours) and represents some 60 per cent of the establishments' own consumption of electricity. Steam plant accounted for 90 per cent of the 4.3 gigawatts of generating capacity and 92 per cent of the electricity generated.

A large majority of establishments had some form of combined heat and power or heat recovery plant. In fact such power plant (back pressure and passout condensing) accounted for 65 per cent of capacity and a similar proportion of electricity generated from steam plant. Some 42 per cent of capacity and 79 per cent of electricity generated from non-steam plant was from diesel or gas turbines fitted with heat recovery facilities.

The industries with most private generation plant were chemicals, oil refineries, iron and steel, and paper and printing. These four industries acccounted for two-thirds of both capacity and electricity generated. A small number of establishments with plant capacities of 25 megawatts and above accounted for 75 per cent of total generating capacity and 80 per cent of the electricity generated; most of these establishments were located in the four industry groups.

The main results of the survey are presented in the form of statistical tables which are annexed to the report and give details of capacity, generation, purchases and sales of electricity, load factors, fuel used and estimates of efficiences. These tables are subdivided by industry, size of installation and type of plant.

Sixth round licences confirmed

Confirmation of sixth round petroleum production licences covering 14 blocks in the North Sea, north of Shetlands, southern basin and the south western approaches was announced on 26 July by Hamish Gray, Minister of State for Energy. It follows completion of joint operating agreements between the oil companies and the British National Oil Corporation as well as agreement with the Department of Energy on exploration programmes.

Licences awarded under the sixth round

	Block
BNOC, Occidental of Britain, Getty Oil (Britain), Allied Chemical (GB), Thomson Scottish Petroleum	13/28
BNOC, Tenneco Great Britain, Albright and Wilson	20/6
BNOC, Unocal Exploration and Production Co	13/12
BNOC, Arpet Petroleum	20/1
	14/26
BNOC, Gulf UK Offshore Exploration Co	209/6
BGC, Amerada Exploration, Texas Eastern (UK)	42/27
	47/3c
	47/4b
	47/9b
BGC	214/30
BGC	74/1
BNOC, Cluff Oil Ltd, CCP North Sea Associates, Stratton Oil Exploration	20/8
BNOC, Total Oil Marine, Deminex Oil and Gas (UK), Pict Petroleum	208/26

The awards are conditional on a joint operating of state, satisfactory to the secretary of state, being agreed between the applicant and BNOC; and the settlement of an acceptable work programme. BNOC will have a majority interest in sixth round licences from the outset except for blocks where British Gas is involved.

Currently, 219 licensees either singly or in consortia hold production licences on the UK continental shelf. To date, 23 oil finds and seven gas finds have been declared commercial. Seventy-four licensees have a stake in these fields.

National Coal Board increases operating profit

In spite of a £30 million loss of profit through the transport disruptions from January to March, the National Coal Board have a higher operating profit in 1978–79 than in the previous year – £121 million compared with £109 million. Higher interest charges led to a net loss of £19 million.

'We would certainly have achieved a net profit of £10 million to £20 million had it not been for the transport disruption,' said Sir Derek Ezra, NCB chairman, when presenting the annual report and accounts on 2 August.

In the previous four financial years, the NCB had broken even or showed a net profit after depreciation, interest and tax.

The high level of investment imposed a severe strain on the financial resources of the industry, at a time of rapidly escalating costs and high interest rates, Sir Derek said. The

burden of interest charges was one of the NCB's greatest problems.

In addition to investing in longer-term projects to create new capacity, the NCB was investing substantial sums on advanced technology and 'heavy duty' faces. Ten such faces were in operation at the end of the year, with average productivity and daily output well over double the national average. There were now 13 such installations, and plans were in hand to commission another 20 or so during the next 12 months. 'The return on capital was good, and this was one route through which we are attempting to raise overall productivity fairly quickly,' said Sir Derek.

In the current year there was a much increased demand for coal, the chairman continued, not only for electricity but also in domestic and industrial markets. With the help of some withdrawals from stock, the NCB had so far (in four months) delivered to customers two million tonnes more than last year – (an increase of 5 per cent). Output in recent weeks had been in line with planned levels.

Much progress had been made in implementing the 'Plan for coal,' agreed between government, management and unions in 1974, Sir Derek said.

Corby to get aid for new industry infrastructure

The government is to make £3 million available to Corby New Town Development Corporation and the Commission for New Towns for the provision of infrastructure on sites for new industry. Announcing this on 1 August, Michael Heseltine, Secretary of State for the Environment, urged the development corporation to explore the scope for attracting private finance for building advance factories.

Mr Heseltine together with Sir Keith Joseph, the Secretary of State for Industry, and Lord Gowrie, Minister of State, Department of Employment, had received a deputation representing the authorities concerned with the problems of Corby – Corby District Council, Northamptonshire County Council, the development corporation and the Commission for the New Towns.

The deputation emphasised the need for financial support from the government to make it possible for Corby to promote industrial development on the scale that would be necessary if the steelworks were to close, with a probable loss of over 6000 jobs in the works and allied industries. They argued that in such a situation Corby would need assisted area status and that there would also have to be substantial expenditure on road improvements.

Mr Heseltine and his colleagues said that the government fully appreciated the severity of the problems which would face Corby if the steelworks closed. The decision on the future of steel-making in Corby was a matter for the British Steel Corporation but if they decided upon closure the government would seriously consider the case for immediately granting the town assisted area status.

The needs of Corby would also be borne in mind in reaching an early decision about the route of the M1/A1 road link.

More decentralisation of BL's car operations

Further moves in the decentralisation of BL's car operations will take effect on 20 August.

To strengthen the corporate management team of BL Ltd and to assist further the development of the decentralised car operations, a new position of managing director, cars, has been created. Ray Horrocks, currently chairman and managing director of Austin Morris Ltd, has been appointed to the position.

Mr Horrocks will be based at corporate headquarters in London and will report to Sir Michael Edwardes, chairman. He will be responsible for the car companies – Jaguar Rover Triumph, BL Components and Austin Morris. Land Rover, until now part of Jaguar Rover Triumph, will also report separately to Mr Horrocks. The major £280 million expansion planned for the Land Rover business and its special marketing needs make it important to give it separate management attention.

William Pratt Thompson, currently chairman and managing director of Jaguar Rover Triumph, is to take on new responsibilities as chairman of BL International. BL International has responsibility for managing BL's international operations and for collaboration. Mr Thompson has extensive worldwide commercial experience and in particular has knowledge of the Japanese and United States markets. He will continue to chair the board of Jaguar Rover Triumph Inc in the United States – BL's largest overseas operation.

Percy Plant, currently a director of JRT, becomes chairman. Apart from being responsible for the day to day operations of JRT, Mr Plant will be reviewing the structure of the business in the light of the greatly changed trading outlook.

Announcing the appointments, Sir Michael said that very considerable progress had been made by BL in the last 18 months. 'Land Rover in particular has won its spurs and that has been recognised in this further stage of the development of decentralisation,' he said.

'The sharp rise in the value of the pound, however, is creating new problems for exports which makes us even more determined that the attention of the new companies should be firmly centred on the tasks of introducing new products and improving productivity. The appointment of Ray Horrocks to the new corporate position of managing director, cars, and Pratt Thompson as chairman of BL International, will enable us to strengthen the top management team of BL at corporate level while the companies concentrate on the job of managing their operations.'

MG Golden Jubilee

Abingdon-on-Thames is bracing itself for an influx of visitors, from all over the world, who will be coming to the ancient borough in the first week of September to celebrate 50 years of MG car manufacturing in the town.

Highlight of the week will be a carnival on 8 September with 70 cars covering the 50 years of manufacture at MG. A party of 150 MG dealers and their wives from the United States will also be in Abingdon for the celebrations.

'Land Rover in particular has won its spurs' – Edwardes.

MSC special programmes reviewed

Last year over 162 000 young people without jobs were helped by the Manpower Services Commission's youth opportunities programme (YOP) and this year it will be expanded to help an estimated 210 000 youngsters, an increase of 30 per cent.

This is contained in a review of the first year of MSC's special programmes, published on 31 July. Half of the young people helped this year were girls.

The review underlines a number of emerging issues for 1979-80, including:

- ☐ getting more involvement from large industrial organisations
- ☐ getting continued support from trades unions
- ☐ persuading YOP sponsors to be more ready to accept apparently less able young people
- ☐ keeping the focus of YOP on helping young people into work, even in regions where work is scarce
- ☐ improving understanding of the problems of long-term unemployment.

The special temporary employment programme (Step) gave temporary jobs to 19 700 people during the year of which over 44 per cent came from those aged between 19 and 24, unemployed for six months or more, and those aged 25 and over, unemployed for a year or more. The proportion of women employed on Step projects rose steadily during the year from 20 per cent in the first quarter to 27 per cent in the last quarter.

CAA reports reduced deficit for fourth year

Britain's Civil Aviation Authority has reduced its annual deficit (after interest charges) for the fourth year running. In its annual report published on 31 July, the deficit is given as £14.9 million compared with £15.6 million in 1977-78, £44 million in 1976-77 and £53.3 million in 1975-76.

The latest improvement has been partly disguised, says the CAA, by the effects of exchange rates on its dollar earnings from *en route* navigation services. These rates resulted in a gain of £5.7 million in 1977-78 but in a loss of £2.6 million in 1978-79.

On those operations where charges are controllable by the CAA (air traffic services at airports and over the north Atlantic, safety and economic regulation) the authority made a profit in 1978-79 of £1.9 million.

On other operations where the authority cannot fully recover its costs because of intergovernmental agreement (UK *en route* air traffic services) or for social reasons (CAA's Scottish aerodromes) the authority made a combined loss in 1978-79 of £16.8 million.

In the report, CAA chairman Nigel Foulkes says that over the last four years the authority has reduced its operating costs 'in real terms' (partly because of a reduction of staff of 1000) from £70.1 million to £62.4 million. But Mr Foulkes warned that the recent Civil Service pay award, to which CAA rates of pay were still tied, would add about £20 million per year to CAA payroll costs when fully implemented and these extra costs would mean higher CAA charges in its 'controllable' operations in the autumn.

Copies of the report can be obtained by post from CAA, PO Box 41, Cheltenham, Glos, price £2.50 plus 60p postage or by personal callers at CAA Central Library, Aviation House, 129 Kingsway, London WC2.

New aircraft noise standards in force

New and more stringent noise certification requirements came into force on 1 August for new types of subsonic jet and for certain derived versions of earlier types.

This is the effect of The Air Navigation (Noise Certification) Order 1979, which puts into effect policies on the control of aircraft noise at source. Successive governments have been committed to these policies – already well known to the civil aviation industry – following international discussions over a number of years.

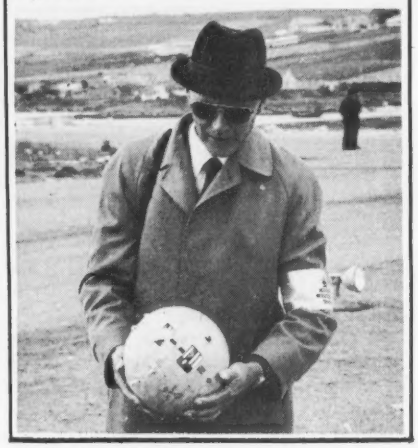
The order will also introduce for the first time noise certification standards for propeller-driven aeroplanes, and extend the applicability of the original subsonic jet certification standards to small subsonic jet aeroplanes weighing 5700 kg or less.

These new standards have all been agreed within the International Civil Aviation Organisation, the forum for international discussion on aircraft noise emission standards and in which the United Kingdom plays a leading part.

The order will also allow the government to prohibit the use of all non-noise-certificated subsonic jet aircraft on the UK register after 1 January 1986.

On the ball

William Tench, chief inspector of accidents in the Department of Trade's accidents investigation branch, holds the flight data recorder just after it had been retrieved from the Dan Air HS 748 which crashed into the sea while taking off from Sumburgh Airport, Shetland. Within minutes, Mr Tench was airborne on his way to the Dan Air engineering base at Lasham, Hants, where the data contained in the recorder is being interpreted by AIB inspectors aided by Dan Air engineers.



Gatwick loses 40 000 passengers over DC10 grounding

A one-day strike by some civil servants and the grounding of DC10s for most of the month reduced the British Airport Authority's passengers figures for June by about 55 000. But Heathrow's north Atlantic services gained about three-quarters of Gatwick's estimated 40 000 passengers lost through the grounding since only one operator currently uses DC10s on these routes from Heathrow.

Nearly 4.1 million passengers used the authority's seven airports in June, representing an increase of 7.7 per cent on the same month in 1978.

Merger proposals cleared

Secretary of State for Trade John Nott has decided, on the information at present before him, not to refer the following proposed mergers to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973:

P. M. A. Holdings Ltd/Harris Lebus Ltd.

Alfred Dunhill Ltd/a substantial minority holding (29.9 per cent) in Asprey and Co Ltd.

Pentos Ltd/Caplan Profile Group Ltd.

W. L. Pawson and Son Ltd/Silhouette (London) Ltd.

Wolseley-Hughes Ltd/John James Group of Companies Ltd.

He has also decided, on the information at present before him, not to refer the following proposed mergers resulting from reorganisation of the Harp's Lager business:

Arthur Guinness Son and Co Ltd/Harp's Dundalk brewery.

Scottish and Newcastle Breweries Ltd/Harp's Manchester and Edinburgh breweries.

Bass Ltd/Harp's Alton brewery.

Greene King and Sons Ltd/substantial minority interest in Harp Ltd.

Official appointments

Air Travel Reserve Fund Agency John Nott, Secretary of State for Trade, has appointed Mr K. M. Franklin and Mr I. C. Elms to serve as members of the Air Travel Reserve Fund Agency for two years from 8 June.

Degree day service: figures for July

Degree day figures for July, published by the Department of Energy, are shown in the table. This service is designed to help industry and commerce improve the efficiency with which space heating systems are used.

The figures are a record of the extent and length of time in a particular month that the external temperature fell below a base figure of 15.5 degrees C (60 degrees F). Because this affects the amount of fuel needed to provide a given level of space heating the figures can be used to check on the efficiency of heating systems. By comparing the amount of fuel used with the number of degree days in monthly periods of different years, energy managers and others can monitor the performance of heating plant and operate it more economically.

Detailed information about the system is contained in a free booklet *Degree Days* (no. 7 in the Fuel Efficiency series) available from the Library, Department of Energy, Thames House South, Millbank, London SW1P 4QJ, tel. 01-211 3394. It explains the theory and practice of using the figures and contains a map showing the locations of the 17 Meteorological Office stations and the regions covered.

July degree days (base temperature 15.5 degrees C)

Region	Calculated average for Jul 1957-77	1978 Jul	1979 Jul
Thames Valley	25	29	20
South East	45	47	44
Southern	42	44	34
South West	33	43	28
Severn Valley	31	39	24
Midland	48	57	40
West Pennines	42	61	39
North West	56	65	59
Borders	76	95	60
North East	50	61	43
East Pennines	42	63	39
East Anglia	45	56	36
West Scotland	63	74	62
East Scotland	72	82	54
North East Scotland	86	101	71
Wales	50	72	49
Northern Ireland	62	73	54

North Sea gold

Its contribution to the UK's national income

This article provides estimates of the benefits of North Sea oil and gas to the national income, government revenue and the balance of payments, and also estimates of capital expenditure resulting from North Sea development. It is reproduced from the August issue of the Treasury's *Economic Progress Report* and updates estimates provided in the October 1978 issue, using the same methodology.

North Sea gas has already made and will continue to make, a substantial contribution to the UK economy; but it is the growth in oil production which is responsible for the recent and substantial increase in the contribution made by the UK continental shelf sector as a whole. In 1976 oil production was 12 million tonnes; by 1977 this had risen to 38 million tonnes. Last year 54 million tonnes were produced which was equivalent to 57 per cent of UK oil needs. This year oil production is expected to be 76 million tonnes and this is expected to increase so that Britain will probably be a net exporter of oil sometime in the 1980s.

Income from oil and gas production

Table 1 presents historical series and forecasts of the contribution to national income of oil and gas production in the UK continental shelf between now and 1985. These figures include small quantities of onshore production and, in later years, a small contribution expected from the Irish Sea. The contribution comprises all those activities which occur within the ring fence defined by the Inland Revenue for computing corporation tax liability on oil and gas profits. This covers activities associated with the extraction, landing and initial treatment and storage of the oil and gas but not its subsequent refining, distribution or use.

The figures refer to the sales value of gas and oil combined and also of natural gas liquids found with oil deposits. No attempt is made to identify the contribution of oil and gas separately. Although the revenue from each can be isolated the costs cannot, because oil and gas are frequently found and extracted together. Before the contribution of the sector can be calculated we have to make assumptions about the future production and price of oil and gas. Obviously the assumptions made will crucially affect the estimate of the contribution. Production is slightly different from sales in some years because of stock changes or to take account of oil in pipelines as they are filled for the first time.

The assumptions for gas and oil production are close to the centre of the ranges of the oil and gas production forecasts set out in the 1979 'brown book'.[1] Brown book ranges are subject to change and indeed have in the past changed.

In the light of recent world events, oil price assumptions are clearly subject to even greater uncertainty than the production assumptions. In this article, oil prices for 1979 and 1980 are based upon what currently seem to be plausible assumptions of prices taking into account the effect of price increases announced by Opec on 28 June. While the supply of oil remains tight, little fall in the sterling oil price is likely. It is therefore assumed, for the purpose of this exercise, that real oil prices remain at their current (ie post 28 June 1979) level in sterling terms until the end of this year. In 1980 when the oil market is expected to return to a more normal state it is assumed that the sterling price of North Sea production declines somewhat in real terms although it may change little in nominal terms. This is because the premium that upper tier crude oils, including North Sea oil, have recently commanded are expected to fall. From 1981-85 the sterling price is assumed to be constant in real terms at the price in the fourth quarter of 1980.

To give an indication of the sensitivity of the estimates to the oil price assumption some illustrative figures are given later in the article of the effects of an alternative oil price.

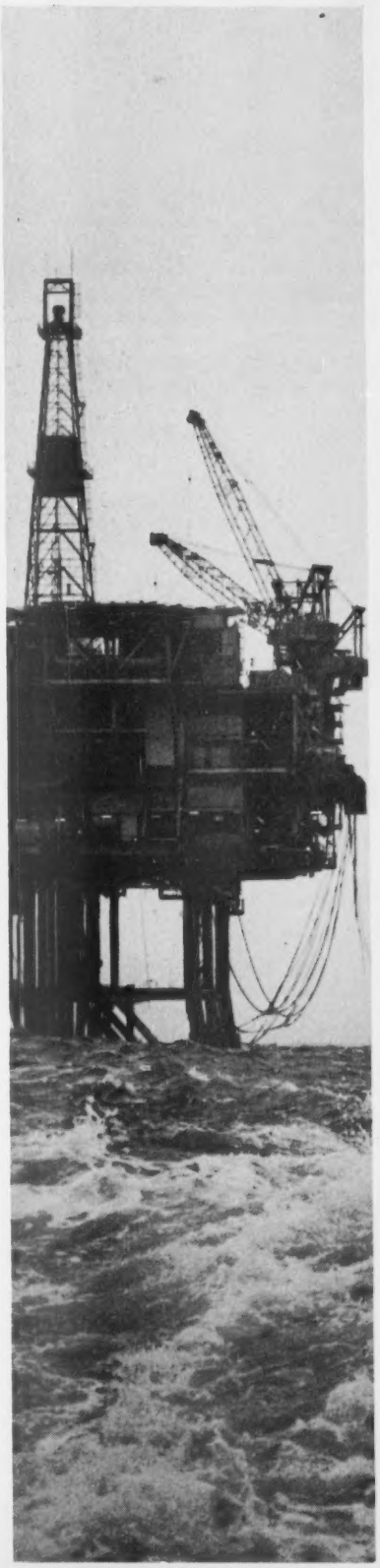
The contribution to national income arising from activities in the UK continental shelf sector is defined as the net value added of the sector. This comprises the employment incomes paid to those working in the sector (table 1, line 3b) plus profits before tax and royalties (line 3a) but minus those interest, profit and dividend payments which are due abroad (line 4). This gives the contribution to gnp arising within the sector (line 5). It is equivalent to employment incomes plus taxes on all profits earned in the North Sea (UK and non-UK companies), plus the after tax profits of UK oil companies.

The limitations of this sort of presentation should be made clear. The 'contribution' to gnp defined in this way does not measure how much national income has increased as a result of the discovery of oil and gas in the North Sea. On the one hand it can be assumed that at least some of the resources of capital and labour employed in extracting oil and gas would have found alternative employment and earned income elsewhere if it had not been for the North Sea discoveries. On the other hand, measuring only the contribution arising within the sector does not take account of income arising elsewhere in the UK economy as a result of the sector's activities. Some income will arise from the production of goods and services for use in this sector, such as drilling rigs and production platforms, and some profits will be earned selling the oil and gas purchased from the North Sea sector, for instance by British Gas.

As can be seen from table 1, the contribution of the North Sea sector in terms of 1978 prices has risen from £1.8 billion in 1977 (1¼ per cent of the gnp in that year) to £2.2 billion last year (1½ per cent of that year's gnp). This year it is estimated to reach £3.8 billion (probably a little over 2 per cent of gnp) and by 1985 it may reach £6 billion. This is a substantial increase in the North Sea contribution to gnp but its relative importance should be put in proportion. As a proportion of 1978 gnp, the 1985 contribution amounts to 3¾ per cent. Of course, any increase in output in the rest of the economy between now and 1985 would reduce this percentage. Nevertheless, it is probably the case that there will be some increase in the relative importance of the UK continental shelf sector's contribution to gnp during the 1980s.

The estimated contributions of the UK continental shelf sector in the period up to 1980 is about the same as the estimates that were made last year (after allowing for the different price basis used). This reflects the interaction

[1] 'Development of the oil and gas resources of the United Kingdom 1979', HMSO, £2.75.



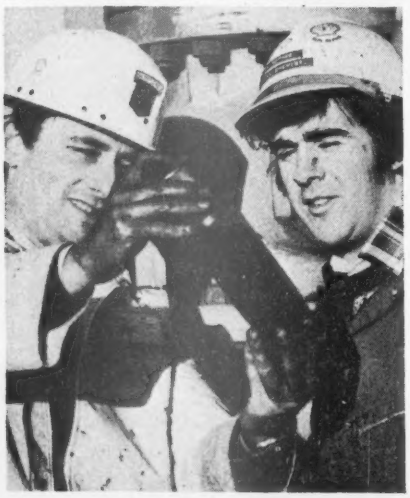
Main control room on Mobil's Beryl oil production platform.

of changes which have broadly balanced out. On the one hand estimates of the production of the oil and gas sold are less than were made last year. This is because production profiles have altered since then and the build up of production is now expected to be slower.

On the other hand the real sterling oil price for 1979 is expected to be higher than was assumed last year and this partly offsets the lower level of production. At the same time interest, profits and dividends due abroad are less than previously estimated. This is partly because of a change in methodology in calculating these flows.

It is now assumed that companies spread the provisions they make for petroleum revenue tax (PRT) through the life of the field rather than providing for it when the tax becomes due. This means an increased provision is made in a field's early years when little or no PRT is actually being paid. The interest, profits and dividends due abroad are measured after allowing for this tax provision and so are now expected to be rather lower this year and next. But they will be correspondingly higher in the later years of production.

Shell staff examine a sample of the first crude oil to arrive at Sullom Voe oil terminal. It took five days for the oil to travel the 95 miles along the Brent pipeline from the Dunlin production platform in the North Sea to the terminal.



For 1985, the contribution of the sector to national income is somewhat lower than last year's estimate. This is partly because of slightly lower production but mainly because of changes in the estimate of interest, profits and dividends due abroad which are nearly £1 billion higher in real terms in this year's estimate compared with last year. Most of this is because of the changes, discussed above, in the way in which tax provisions have been calculated. Although a large amount of PRT will be paid in these years provision for some of it will have already been made in the fields' early years.

The figures given in table 1 are on the basis of the oil price assumptions set out above. If the sterling real-oil price were 10 per cent lower (or higher) by 1985 than assumed in table 1, the estimate of income arising within the sector would be reduced (or increased) by £0.5 billion. This does not mean the UK economy would necessarily be better off with a higher real price. The rise in the North Sea sector income may be more than offset by falls in other sectors' income due, for example, to a lower level of total UK exports. The UK would, however, be better placed to meet the economic problems caused by a higher real oil price than countries without indigenous oil supplies.

Government revenues from the North Sea

The final line of table 1 includes, among other things, government revenue from royalties, petroleum revenue tax and corporation tax. Details of the actual receipts are shown in table 2; the corporation tax figure is the estimated proportion attributed to ring fence activities, ie North Sea oil and gas. Up to 31 July 1979 the government has received £1,194 million in tax receipts and royalties from the North Sea. Receipts of £1,390 million are expected in 1979-80 of which some £110 million will result from the recent budget changes to the North Sea fiscal regime. However, the real build-up of receipts does not come until the mid-1980s. This is because the cost of exploration and development is allowed in full against PRT and corporation tax and an uplift on most of these costs is allowed against PRT before any tax is payable. As these allowances are used up, receipts will rise quickly so that by the mid-1980s annual revenues are estimated to be around £4¾ billion at 1978 prices. Included in this figure is an estimate of £½ billion due to the budget changes. It should be emphasised that forecasts of government take this far ahead are of necessity uncertain. This projection is sensitive to many factors and in particular to variations in the real sterling oil price. For example, a change in the real price of 10 per cent by 1985 would produce a corresponding change in the annual estimate of yield during the mid-1980s of about £½ billion (also at 1978 prices).

As well as tax and royalty receipts, the public sector borrowing requirement will be reduced by the trading surpluses of public corporations involved in exploiting North Sea oil and gas. On the other hand it will be increased to the extent that their future financial requirements for exploration and development expenditures cannot be met internally.

Capital expenditure in oil and gas production

Table 3 shows the forecast path for capital spending, divided between UK and non-UK companies. This comprises the capital spending on offshore platforms and associated equipment, production wells, pipelines and associated onshore treatment terminals. It does not include exploration drilling which is included in operating costs or any capital expenditure associated with refining or distributing oil and gas.

Balance of payments contribution of North Sea oil and gas

One of the most important benefits to the economy of North Sea oil and gas has been to the balance of payments. The contribution to the current account has risen from nearly £3 billion in 1977 to nearly £4 billion last year all expressed in 1978 prices. This year it is estimated that the benefit to the current account will be worth £7.2 billion in 1978 prices and by 1985 will have grown to £8.7 billion in 1978 prices. To put these figures in perspective, the contribution this year is equivalent to about 13 per cent of last year's exports of goods and services.

Table 4 sets out the details of these estimates. The contribution to the current account is made up of the total value of oil and

Table 1 **Income from oil and gas production**

£ billion, 1978 prices

		1977	1978	1979	1980	1985
1	Value of oil and gas production	2.8	3.3	5.5	6.6	8.6
2	Goods and services bought outside the sector [1]	0.5	0.5	0.6	0.6	0.8
3	Value-added by North Sea sector (equals line 1 minus line 2) of which:	2.3	2.8	4.9	5.9	7.8
3a	total royalties plus pre-tax profits	2.2	2.7	4.8	5.8	7.6
3b	employment income	0.1	0.1	0.1	0.1	0.2
4	Interest, profits and dividends due abroad	0.5	0.6	1.1	1.4	1.8
5	Gnp at market prices arising within the 'sector' (equals line 3 minus line 4)	1.8	2.2	3.8	4.5	6.0

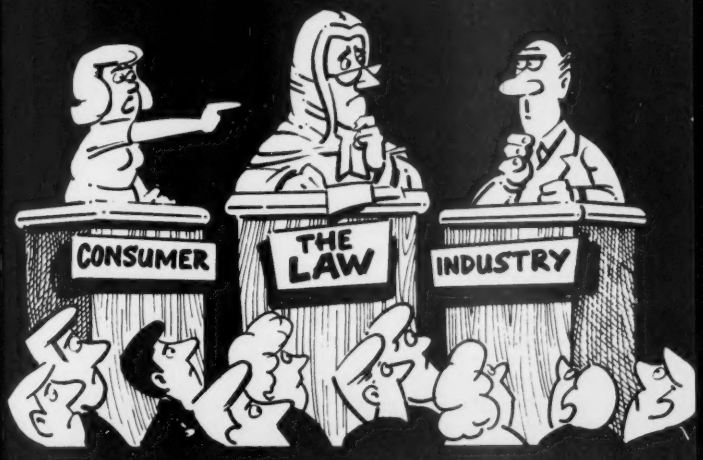
[1] Defined as operating costs minus employment incomes.

(Details may not add to totals owing to rounding)

SENIOR EXECUTIVE BRIEFINGS
Division of THE BRITISH SAFETY COUNCIL

"The vulnerability of the seller, be he retailer or manufacturer will doubtless be greatly increased with the coming legislation on product liability. Only vigorous commitment at board level can lessen the threat of massive claims. Top management must be prepared."

James Tye, Director General
British Safety Council



Product Liability

"LET THE SELLER BEWARE!"

THE SELFRIDGE HOTEL
ORCHARD STREET, LONDON W1

31st October 1979 — LONDON

PRODUCT LIABILITY
and associated legislation
A Senior Executive Briefing

Venue: **The Selfridge Hotel, Orchard St., London W.1**

Date: **31st October 1979**

Introduction

I am staggered to find in this country the enormous number of senior managers involved in the production and supply of goods, who are still greatly confused by the various civil and criminal laws relating to product and consumer safety.

Indeed a recent British Safety Council survey revealed that everyone from the insurer who commits himself to underwrite any losses, to the lawyer who takes the case to court, is it seems, well versed in most aspects of Product Liability.

Everyone that is, except those who are likely to be most dramatically affected – manufacturers and retailers.

Nobody in Britain wants a re-run of the American experience where strict liability already operates. It would be no exaggeration to say that litigation has run riot there. The so-called Product Liability Crisis has bankrupted many small businesses who have not been able to afford the massive rises in insurance cover.

What everyone does want is to stay **out** of the law courts, and this can only be achieved if British Industry commits itself at **board level.**

There will be no Product Liability Crisis in this country unless top executives fail to meet the challenge. Ninety-five per cent of claims I see around the world need never occur. Where they do occur invariably it is because of inadequate Product Safety Programmes.

The particular vulnerability of the seller, producers and retailers alike, can only be lessened by top management commitment to effective product safety systems and contingency planning.

During this conference delegates will be briefed on the proposed law on Product Liability and the existing Consumer Safety Act and the Unfair Contract Terms Act. Our purpose is not to interpret these Acts in detail, but to explain to executives the linking of these laws and the implications to manufacturers, retailers and suppliers of products.

In 1979 the law implies – **Let the Seller Beware!**

Who should attend this conference?

I strongly urge Directors and Senior Level managers in **manufacturing, distributing** and **retail** industries to attend.

Emphasis will be on delegate participation which requires places to be limited, so early booking is advisable.

JAMES TYE
Director General, British Safety Council

SPEAKERS:

James Tye is Director General of the British Safety Council and this country's foremost authority on Product Liability. His latest book, **The Management Guide to Product Liability,** co-authored by Bowes Egan, has been reviewed as "the most comprehensive book on the subject yet released in this country". Mr Tye uses over one hundred slides in his presentation and encourages questions at all stages.

David Burrows is Director of Harris & Dixon, Lloyds Brokers, and has been associated for many years with the British Safety Council. His relaxed approach to the subject allows delegates to see the problems – and myths – surrounding insurance in the area of Product Liability in the right perspective.

PROGRAMME GUIDELINES

08.45 Registration and coffee

09.15 **SESSION ONE**
Product Liability

Speaker: James Tye

- Definition of Product Liability
- i.e. implied warranty; express warranty; duty of care
- U.K. and U.S. examples
- i.e. DC10 crash; Thalidomide; Ortho-Novum; Ford Pinto; Firestone
- Recent cases – verdicts and costs, i.e.
  - defective design, punitive damages
  - criminal indictment

10.15 **COFFEE**

10.30 **SESSION TWO**

- Proposed U.K. Product Liability legislation
- Visual briefing of the EEC Directive
- Explanatory memorandum

11.30 **SESSION THREE**
A practical approach to Product Safety

- Building an effective Product Safety Programme
- The British Safety Council's 40 point check list
- How to measure management involvement in the Product Safety Programme
- How to use the TEPLAS system (TEPLAS = Tye/Egan Product Liability Audit System)

12.30 **LUNCH**

14.00 **SESSION FOUR**
The Insurance Dilemma

Speaker: David Burrows

- Insurance market reaction to the EEC proposals
- The effect of the purchase of Product Liability insurance
- Courses of action: i.e. avoidance; reduction; retention of risk
- The insurance problems in exporting to U.S. and Canada
- Estimating indemnity limits
- Territorial limits and jurisdiction clauses
- Third party indemnity
- Recall cover

15.15 **TEA**

15.30 **SESSION FIVE**
Consumer Safety Act 1978

Speaker: James Tye

- Background to the Act
- Molony Report on Consumer Protection
- Consumer Protection Acts
- A visual briefing of the Act itself
- Safety Regulations
- Prohibition Orders
- Enforcement and Penalties
- Implications for industry

16.15 **SESSION SIX**
Unfair Contract Terms Act

- In February 1978 this Act unobtrusively appeared on the Statute book. In spite of its cumbersome title, it has the effect of preventing manufacturers and proprietors from disclaiming liability or responsibility for faulty products and unsafe services. It is impossible to divorce this law from the proposed legislation on Product Liability.

16.45 General Discussion
17.00 Close of Conference

REGISTRATION FORM **SEB 111**

SENIOR EXECUTIVE BRIEFINGS

PRODUCT LIABILITY

"Let the Seller Beware"

31st October 1979
at the Selfridge Hotel
Orchard Street, London W.1

Conference Fee £80 + VAT at standard rate
(includes lunch, cocktails, conference literature, plus complimentary copy of "The Management Guide to Product Liability" by James Tye and Bowes Egan.)

Vat No. 226 5629 55

Bookings only accepted if accompanied by full fee

CANCELLATION
In the event of cancellation the fee, less 20% to cover administration costs, will be returned, but only if more than seven days notice is given. In the event of lesser notice or non-attendance, the full fee will be payable. The right is reserved to make changes to the conference when this is necessitated by conditions outside the control of B.S.C.

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gas production, minus imports of goods and services directly attributable to oil and gas production and minus interest profits and dividends due abroad. Line 1 of table 1 is the value of oil and gas production. For oil the recorded value of North Sea production is a reasonable guide to the value of imports saved and this is used in line 1.

For gas, the appropriate valuation is harder to determine. There are two possible approaches. The first is to value gas production at the contract prices actually paid. This is the approach adopted in line 1 of table 1, where the figures are presented in the same way as in the national income accounts. It produces a value for gas production in 1978 of about £450 million.

The alternative method is to assume that gas production will substitute for more expensive imported fuels, notably oil, and for more expensive domestically produced energy, some of which will have had a significant import content. Deriving an alternative valuation of the gas contribution to the balance of payments is not easy as the gas will not substitute for just one alternative fuel source. The approach chosen here is essentially the same as that used last year: gas production has been valued at the price of the nearest comparable imported fuel, gas oil, implicitly assuming that it substitutes for imported fuel at an equivalent calorific value. This approach gives an estimate for the value of 1978 gas sales of about £2 billion-£2.25 billion. For the purposes of the balance of payments table this is the basis chosen for valuing gas. The difference in the valuation of the first line of table 1 (national income) and table 4 (balance of payments) is accounted for by the difference between valuing gas at contract and at oil equivalent prices.

Sullom Voe – the massive crude oil terminal under construction in the Shetland Isles for Shell/Esso and British Petroleum.

Table 2 **Government revenues from the North Sea** £ million at outturn prices

	Royalties	PRT	Corporation tax [1]	Total
Total				
1970-71 to 1975-76	65	—	23	88
1976-77	71	—	10	81
1977-78	228	—	10	238
1978-79	288	183	50	521
1 Apr-31 Jul 1979	—	266	—	266
Total to date	652	449	93	1 194
1979-80 (estimate)	520	730 [2]	140	1 390

[1] The corporation tax shown is the estimated proportion attributed to North Sea oil and gas. In addition to the figures shown an estimated £40 million of corporation tax in 1978-79 was satisfied by setting off advance corporation tax (ACT). The corresponding amount in 1979-80 is likely to be £120 million. [2] Including the £266 million paid in May 1979.

Table 3 **Capital expenditure in oil and gas production** £ million, 1978 prices

	1977	1978	1979	1980	1985
Capital expenditure of which:	2.1	2.0	2.1	1.6	1.0
assumed to be carried out by UK companies	0.7	0.7	0.7	0.6	0.4
assumed to be carried out by non-UK companies	1.4	1.3	1.4	1.0	0.6

Line 2 of table 4 comprises imports of goods and services directly for the programme and includes such things as imports of production platforms and equipment. An allowance against these imports has been made for exports of services such as UK catering and labour services to foreign rig operators on the UK continental shelf.

Interest, profits and dividends due overseas include interest payments on foreign currency loans raised by UK companies plus all such earnings by non-UK companies net of tax and depreciation irrespective of whether or not they are actually repatriated. If their profits were not repatriated but used for investment in the UK, for example, there would be an inflow on the capital account to offset the outflow on the current account.

The total identifiable benefit to the balance of payments of the UK continental shelf sector, equals the net contribution to the current account plus net capital account inflows. The net effect on the capital account reflects the degree to which investment in the sector is financed from foreign sources. This may be either through direct inward investment by non-UK companies or by foreign currency borrowing (usually via UK banks) on the part of UK companies and public corporations.

The total contribution to the balance of payments is expected to be very much larger in 1979 than in 1978 and also to contribute very much more to the balance of payments than to national income. Both the balance of payments and the national income benefits because of the increase in oil production and oil prices. However, the balance of payments also benefits substantially because gas is valued at the gas oil price rather than, as in the national income table, the contract price. Gas oil has almost doubled in price this year compared with last year due to a shortage which has been even more acute than the crude oil shortage. In 1980 the contribution to the balance of payments falls off slightly because the real sterling oil price and the gas oil price is assumed to fall back (see above) but these effects are largely offset by rising oil production.

On the other hand the contribution to national income in table 1 increases between 1979 and 1980 because it is not affected by the sharp movements in the gas oil price. Gas production is also expected to increase until the mid-1980s but thereafter to fall off slightly and the increased contribution of the sector as a whole during this period largely reflects higher oil production. The factors affecting interest, profits and dividends due abroad were discussed above and have the same effect in table 4. The net effect on the capital account is positive in the early years while large funds are needed to develop existing fields. A small outflow is predicted for 1985.

A 10 per cent higher or lower real sterling oil price would alter the contribution to the current balance by about £600 million in 1985 at 1978 prices. The effect on oil and gas sold is about £900 million; £300 million of that is offset by changes in interest, profits and dividends due abroad.

The estimates in table 4 are of the identifiable contribution to the current account and the balance of payments of the UK continental shelf operations. It does not attempt to estimate how the balance of payments would have developed in the absence of such a contribution. In that situation the economy would certainly have developed differently in a number of important respects: the exchange rate, for instance, would probably have been considerably lower.

Table 4 **Balance of payments contribution of North Sea oil and gas** £ billion, 1978 prices

	1977	1978	1979	1980	1985
1 Oil and gas production, at equivalent import values	4.8	5.2	9.1	8.8	11.2
2 Net imports of goods and services less exports of some services directly for the programme	1.4	0.7	0.7	0.6	0.5
3 Interest, profits and dividends due overseas	0.5	0.6	1.1	1.4	1.8
4 Net contribution to the current account (equals line 1 minus line 2 minus line 3)	2.9	3.9	7.2	6.8	8.9
5 Net effect on capital account	+1.4	+0.7	+1.0	+0.5	−0.2
6 Net identified effect on the balance for official financing (line 4 plus line 5)	4.3	4.6	8.2	7.3	8.7

(Details may not add to totals owing to rounding)

Oil production's new peak

Oil production from the UK's 12 offshore oil fields reached a new peak of almost 7 million tonnes in June. Figures released by the Department of Energy on 31 July show that production, at 6 965 105 tonnes for the month, was equivalent to a rate of 1 740 258 barrels a day. Oil production during June from the 10 land-based wells currently in operation remained at approximately 12 000 tonnes.

New publications

Countering disruptive imports

Although free trade as a principle is generally accepted as beneficial for international economic development, not least of all for Britain, there are times when it can be argued that safeguarding action seems justified on the grounds of reducing the economic and social costs of changing patterns of trade. Anyone in business or industry who feels he is suffering serious disruptive effects from foreign imports will be interested to see the new CBI booklet 'Countering disruptive imports'.

In 36 pages, this handy guide summarises the extant international rules and procedures for commercial defence against disruptive imports. It describes what facilities are available for dealing with these type of imports. Also included is a section dealing with the implications of EEC membership as it relates to defence against imports from member states under the terms of the treaty of Rome.

Countering disruptive imports: guide to instruments of commercial defence. Confederation of British Industry, 21 Tothill Street, London SW1H 9LP. 1979. 36 pages; paperback. £2.00.

How to become an export professional

In today's competitive world, it is essential for exporters to be fully aware of all the latest professional techniques available to them. It was to help provide a grounding in these techniques that the Foundation Course in Overseas Trade was set up in 1975. Alan Branch, an expert in transport and documentation, was one of the original subject specialists who helped draw up the syllabus for the course. In 'The elements of export practice' Mr Branch aims to 'provide a basic overall understanding of the theory and efficient, practical, profitable technique of exporting goods'. The author's principle for success is 'complete professionalism in the development and processing of international trade' and he sets out in a clear, easy-to-read style how this can best be achieved.

Covering the main practical aspects of the subject, Mr Branch looks at such topics as international transport modes, freight rates, export customs practice and export documentation. He also provides information on the main export organisations and publications that should prove of particular value, as well as examples of documents used by the exporter. Like his previous publication 'Elements of shipping' (reviewed in *Trade and Industry*, 17 June 1977, page 526), this may well become a standard text (for students of the foundation course certainly obligatory reading). It should also prove of great value to those engaged in or considering exporting.

The elements of export practice, by Alan E. Branch. Chapman and Hall, 1979. xvii, 361 pages; paperback. £4.95 (ISBN 0 41215 610 5).

Computer contracts and the law

In spite of (or more likely because of) the miniaturisation of computer hardware and the consequent simplification of maintenance, negotiating contracts for such installations remains a complex area, even for those with a relevant legal background. Richard Morgan, who is computer development officer for the House of Commons and House of Lords, has written his book 'Computer contracts' for the uninitiated, who suddenly find themselves thrust into this field.

The main part of the text is divided into several sections, dealing with hardware, software, maintenance contracts for both these areas, and bureau services. The book is illustrated throughout with clauses lifted from actual contracts. There is a useful amount of cross-indexing in the text.

The last chapter provides helpful supplementary information in the form of consideration of professional bodies (in particular the British Computer Society and the Institute of Data Processing Management) and special interest groups. Appendices list the codes of conduct of the British Computer Society and the Computing Services Association. For those people dropped into the murky waters of computer systems, the book will prove a lifebelt.

Computer contracts, by Richard Morgan. Oyez Publishing Ltd. 1979. 145 pages. £11.00 (ISBN 0 85120 406 6).

SMIL please

A number of recent publications of interest to exporters are available from the Statistics and Market Intelligence Library (SMIL) of the Department of Trade. Latest in the series 'Sources of statistics and market information' are: *Development plans* (no. 6), *Saudi Arabia and the Gulf States* (no. 7), *Germany (FRG): directories* (no. 9), *Irish Republic* (no. 11).

Also available on a regular basis are *Statistics, directories, information* – a quarterly listing of new titles taken in the library and *National Statistical Offices of Overseas Countries* – an international directory of national statistical offices updated annually.

For details of availability contact the Statistics and Market Intelligence Library at Export House, 50 Ludgate Hill, London EC4M 7HU (01-248 5757 ext. 328). General library inquiries and further information on services available ext. 368 or 369.

Other publications of interest

Limited space allows us to review only a few of the many business publications which reach us every week. Among some of the more interesting recent arrivals are the following, which may be obtained either from the publishers or from local booksellers:

Accounting standards 1979: the full texts of all UK exposure drafts and accounting standards extant at 1 May 1979. Institute of Chartered Accountants in England and Wales, PO Box 433, Chartered Accountants Hall, Moorgate Place, London EC2P 2BJ. 1979. £4.95. (£4.50 per copy for orders of 100 or more copies) (ISBN 0 85291 231 5).

Stamp duty and capital duty, by A. C. Harper. Institute of Chartered Accountants in England and Wales. 1979. £9.95 (ISBN 0 85291 226 9).

Employment protection: the complete guide to employee rights, by James Jackson, New Commercial Publishing Co Ltd, 4 St John Terrace, London W10. 1979. £15.00 (ISBN 0 906 17410 4).

International warehouse and storage directory 1979. IPC Business Press Ltd, Sundry Sales Dept, 40 Bowling Green Lane, London EC1 0NE. £15.00.

OECD economic outlook (available from HMSO) no. 25. July 1979. (ISBN 92 6411 965 5) £3.90 (single copy). £7.30 (2 issues July and December).

OECD economic surveys (available from HMSO)
Spain. April 1979. £1.50 (ISBN 92 6411 931 0).
Switzerland. April 1979. £1.50 (ISBN 92 6411 934 5).

West European living costs 1979. Confederation of British Industry, 21 Tothill Street, London SW1H 9LP. June 1979. £12.00.

Publications and opinions expressed on this page do not necessarily reflect the views of the government. Inquiries and submissions for review should be sent to *Trade and Industry*, New Publications Page, Room LG 17A, 1 Victoria Street, London SW1H 0ET, tel. 01-215 4136.

Maxi law for mini business

Legislation involving the small businessman has become very complex in recent years, and there have been various attempts to guide those concerned through the maze. For those entrepreneurs grappling with the problems of working for themselves, there are many factors to be taken into consideration. Not least of these is the voluminous legislation to control business practice and protect alike trader, employer, employee and consumer. In 'Law for the small businessman', Patricia Clayton, a barrister, outlines these basic legal requirements.

This is by no means a legal textbook, but merely sets out in layman's terms the main laws which have a bearing on setting up, financing and running a company, employing staff, and trading. The chapter on employment deals with conditions of work, responsibilities to employees, statements and contracts of employment, job security, disciplinary powers and dismissal. At the end of each chapter is a list of the applicable acts of parliament and other regulations.

Coverage is general and does not attempt to take account of the legal requirements of particular types of business or locations. The author does not intend her book to take the place of a lawyer – indeed, in the introduction she stresses the benefits of taking professional advice. However for those who do not wish to be totally at the mercy of experts, this publication provides a good readable background to some basic legal facts of life. It is pleasing to note that a revised edition due to be published shortly will include an index, which has unfortunately been omitted from this present volume.

Law for the small businessman, by Patricia E. Clayton. Marchmont Publications Ltd, 1 Hanover Square, London W1R 9RD. 1979. 132 pages; paperback. £7.95 (ISBN 0 905753 05 4).

Small businessman: can he get booked?

Departmental publications not sold through HMSO

This list includes material issued by the Departments of Industry, Trade and Energy and the Office of Fair Trading, which was notified to the compiler during July.

Department of Industry

Energy audit series no. 5: the glass industry: energy conservation and utilisation in the glass industry; a report prepared for the Department of Industry by G. Perry and P. J. Doyle of the British Glass Industry Research Association. (Issued jointly by the Department of Energy and Department of Industry). June 1979. 60 pages.
Department of Industry, Ashdown House Library, 123 Victoria Street, London SW1E 6RB.
Energy audit series no. 6: the aluminium industry: energy consumption and conservation in the aluminium industry. (Issued jointly by the Department of Energy and Department of Industry). June 1979. 71 pages.
Department of Industry, Ashdown House Library, 123 Victoria Street, London SW1E 6RB.
The industrial technologies. 1979. 32 pages.
Department of Industry, Room 314, Ashdown House, 123 Victoria Street, London SW1E 6RB.
UK industrial scientific research and development at constant prices: note by the Department of Industry. March 1979. [18 leaves.].
Departments of Industry and Trade Common Services, Economic and Statistics Division 6b, Room 106, Abell House, John Islip Street, London SW1P 4LN.

Industry/Education Unit

Case studies of industry/education links: a selection of local initiatives to encourage a better understanding of industry. July 1979. 49 pages.
Department of Industry, Industry/Education Unit, Room 357, Ashdown House, 123 Victoria Street, London SW1E 6RB.

Research and Technology Requirements and Perspectives Division

Industrial energy thrift scheme. Report no. 7: energy use in the stationery printing industry; a report prepared by Pira for the Department of Industry. 1979. 20 pages.
Industrial energy thrift scheme. Report no. 8: energy use in the newspaper and magazine printing industries; a report prepared by Pira for the Department of Industry. 1979. 18 pages.
Department of Industry, Ashdown House Library, 123 Victoria Street, London SW1E 6RB.

Research and Technology Requirements and Space Division

Japan: technology and industry. March 1979. 7 pages.
Department of Industry, Research and Technology Requirements and Space Division, Overseas Technical Information Unit, Room 733, Abell House, John Islip Street, London SW1P 4LN.

Technology Reports Centre

R&D abstracts. Vol. 39, no. 10, 15 May 1979.
R&D abstracts. Vol. 39, no. 11, 1 June 1979.
Available on annual subscription of £48 from Department of Industry, Technology Reports Centre, Station Square House, St Mary Cray, Orpington, Kent BR5 3RF. Free to government departments and certain other bodies.

Department of Trade

Search and rescue: HM Coastguard. 2nd ed. Prepared 1976, 5th amended reprint June 1979. 10 pages.
Department of Trade, Marine Stores, Room 104, Eileen House, 80-94 Newington Causeway, London SE1 6DD.

Accidents Investigation Branch

AIB bulletin no. 7/79. 24 July 1979. 7 pages.
Department of Trade, Accidents Investigation Branch, Room 401, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

British Overseas Trade Board

Hints to exporters series (price £1 each + p & p as follows: 1 copy 20p, 2–4 copies 30p, 5–7 copies 40p, more than 7 post free).
The Dominican Republic. 1979/80. 48 pages.
Ecuador. 1979/80. 49 pages.
Gibraltar. 1979/80. 36 pages.
Hungary. 1979/80. 48 pages.
Iraq. 1979/80. 56 pages.
Republic of Zaire. 1979/80. 48 pages.
Turkey. 1979/80. 60 pages.
Yugoslavia. 1979/80. 60 pages.
Available from: BOTB Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU, and BOTB regional offices.

Marine Division

Prevention of Oil Pollution Act 1971: report on the exercise and performance of the functions of the Secretary of State under the Prevention of Oil Pollution Act 1971 during the year ended 31 December 1978. 25 July 1978. [3 pages].
Department of Trade, Marine Library, Room G/7, Sunley House, 90-93 High Holborn, London WC1V 6LP.

Metrology, Quality Assurance and Standards Division

Guidelines for government representatives on standards committees. Amendment sheet no. 1. June 1979. 1 page.
Department of Trade, Metrology, Quality Assurance and Standards Division, Room 2814, Millbank Tower, Millbank, London SW1P 4QU.

Publicity, Tourism, Films and Distribution Division

Review of policy on film finance. June 1979. 16 pages.
Department of Trade, Publicity, Tourism, Films and Distribution Division, Sanctuary Buildings, 16-20 Great Smith Street, London SW1P 3DB.

Departments of Industry and Trade

Common Services

Widen your horizons: training opportunities 1979-80. [A guide to training opportunities open to civil servants in the Departments of Industry and Trade].
Departments of Industry and Trade, Training Branch (EG3), Room 139, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

Economics and Statistics Division

Monthly review of external trade statistics, no. 43, June 1979. [154 pages]. £3.00.
Available from: BOTB Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU.

Libraries

Statistics and Market Intelligence Library

Statistics directories information. No. 8, April-June 1979. 19 pages.
Department of Trade, Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4M 7HU.

Department of Energy

Energy management. June 1979. 8 pages.
Department of Energy, Energy Management, Room 1395, Thames House South, Millbank, London SW1P 4QJ.

Office of Fair Trading

Buying a used car – consumers' problems: a consultative paper by the Office of Fair Trading. July 1979. 34 pages.
Office of Fair Trading, Field House, Breams Buildings, London EC4 1PR.
Consumer credit survey: a report prepared for the Office of Fair Trading by NOP Market Research Ltd. 1979. [1 volume, various pagings]. Price £40 + £1 p & p.
Office of Fair Trading, Field House Registry, Field House, Breams Buildings, London EC4 1PR.

Technology news

Assured future for nuclear power industry says Howell

Nuclear power and the nuclear industry have an assured future in this country, energy secretary David Howell said on a visit to Hinkley Point power station on 31 July.

He said the UK had to have a balanced energy policy drawing on every one of the available resources, including conservation in a major role 'But we cannot have a balanced energy policy without a substantial nuclear element'.

The government believed that nuclear power had a vital role to play in the UK's energy supplies he said. 'We have got to take a positive attitude to its future development in this country and face up squarely to the decisions that are needed.'

Hinkley Point was a milestone, he said, being both the first of the Central Electricity Generating Board's advanced gas-cooled reactors (AGR) to come on stream and it was the basis for current design work on Heysham II, the new AGR for which he recently gave capital investment approval. 'It is also a timely reminder that nuclear power not only reduces the cost of generating electricity but also helps to conserve fossil fuels.'

Howell: how much nuclear power is the question.

Mr Howell said that to generate the electricity produced each year by Britains's present modest nuclear capacity would require the equivalent of about 7 million tonnes of oil a year. And when the stations now under construction were completed, this would rise to some 14 million tonnes of oil equivalent, an amount of energy equal to the annual output of a large North Sea oil field like Piper.

So, he said 'the question is not whether we need nuclear power. It is "how much nuclear power do we need?" There is of course great scope for debate about forecasts in energy policy. But on any realistic assumption we shall find it difficult to meet energy demand at tolerable prices without a contribution from nuclear power. This is a fact of life which faces all industrialised countries, as the Tokyo summit recognised.'

Without continuing nuclear power station orders, Mr Howell said that the UK would not have a realistic policy for meeting the country's long-term energy requirements. 'Because of the long lead times involved in the construction of new stations this government will give the growth of nuclear power the priority it deserves.'

He made three points: first, nuclear safety was of paramount importance. 'We must continue to do all that we can to promote it. The safety record of our nuclear power programme so far is excellent and I know that from the very earliest days the nuclear industry has paid great attention to this area. But we can never afford to be complacent. Every effort must be, and will be, made to ensure that high standards are maintained and, where appropriate, improved,' he said.

Secondly, Britain's nuclear industry had to be strong enough to play its part in building the nuclear power stations the country needed when it needed them, efficiently and to time. 'There are at present uncertainties about the organisation of the industry and the government recognises the importance of resolving them, and doing so soon.

'Finally, we must never think that nuclear power is an end in itself. If we are to match our hopes for greater prosperity, we must also tap our other major sources of power – coal and energy conservation. We are not nearly as efficient in the use of energy as we could be. Across many sectors of the economy savings of 30 per cent or more are available using proven technology. I regard energy conservation as a central and permanent feature of energy policy. As much as any fuel – perhaps more so – it is a crucial energy resource and, what is more, an economic one.' Mr Howell said.

He was reviewing the energy conservation programme to see whether the balance was right and what reinforcement might be desirable in this key part of the energy strategy. 'In the light of national progress I shall take such further steps as are required.' he said.

'In conclusion, let me repeat that nuclear power and our nuclear industry have – and must have – an assured future in this country. We must have a balanced energy policy, drawing on every one of the resources available to us including, I repeat, conservation in a major role. But we cannot have a balanced energy policy without a substantial nuclear element.

'And without that balanced energy policy, the whole balance of a free, safe and civilised society is at risk. It is the colossal dangers to each of us in not going ahead with an effective nuclear power programme which should now exercise the minds of those most concerned about our future.'

UKAEA appointments

Dr Thomas Marsham, and Dr Lewis Roberts, have been appointed by David Howell, Secretary of State for Energy, as full time members of the United Kingdom Atomic Energy Authority for a period of five years from 1 August.

Dr Marsham will continue to be managing director of the authority's northern division whose headquarters is at Risley, and Dr Roberts will continue as director of the Atomic Energy Research Establishment, Harwell.

'Hot rocks' hole given the go-ahead

A £1.8 million project to drill Britain's first deep borehole to explore the possibilities of a 'hot rocks' energy source has been authorised by the Department of Energy.

The drilling will take place on land belonging to the Central Electricity Generating Board at Marchwood power station, near Southampton.

The aim is to penetrate deposits of water-bearing rock known to lie at depths of around 10 000 ft to gather data on the energy potential of the 'hot rocks'.

A contract for the drilling work is currently being negotiated and is expected to begin in October or November and be completed by next February.

Harwell licenses ion implantation treatment

Harwell has licensed Hawker Siddeley Dynamics Engineering of Hatfield, Hertfordshire, to manufacture a machine for the ion implantation of machine tools and other components. Ion implantation is a means of changing the surface properties of components so that they take longer to wear out. It is carried out by the controlled injection of electrically accelerated foreign atoms into the surface of the component in a vacuum.

During the research and development phase of this project, funded by the engineering materials requirements board of the Department of Industry, the method has been shown to have widespread applications in the engineering industry. It has already been successfully used by firms to increase the life of tungsten carbide wire-drawing dies, injection moulding equipment, press tooling dies and cutting edges.

Harwell believes that ion implantation has applications to a wide variety of steels under both adhesive and abrasive wear conditions. Either gaseous or metal ions can be implanted into carbide or stellite materials as well as steels. As the process is carried out only

slightly above room temperature, there is no danger of distorting the components being treated.

For Hawker Siddeley Dynamics Engineering, production of ion implantation machines is a natural development of producing electron-beam welding systems.

Disaster in the Channel avoided in NMI film

Traffic separation schemes in the Dover Strait, mandatory since 1977, have saved many lives and ships since the early 1970s. The constant radar surveillance by the Coastguard on the English side and by the French at Cap Griz-Nez, with the scientific and technical support of the Department of Industry's National Maritime Institute, is featured in 'Watch on the Channel', an NMI film released recently.

'Fishing boat stability' and 'Shiphandling: part 1 – turning' are two NMI-produced instructional films that have also been released.

In 'Watch on the Channel', an 'incident' is reconstructed in which a large tanker with a navigational equipment fault enters the wrong lane. This potential major disaster is used to illustrate the value of the Coastguard's Channel navigation service in providing shipmasters with information and assistance to pass through the area in safety. Time-lapse recordings of radar displays enable the film to show dramatically how it is possible to study the movements of vessels offending against the traffic separation schemes.

The Department of Trade's concern over the number of small trawlers and their crews being lost at sea led to the commissioning of NMI to make 'Fishing boat stability'. This film seeks to describe and explain the basic concepts of fishing vessel stability in non-technical terms. Illustrations make use of animation, ship-models and full-size trawlers.

Practical examples are given of ways in which stability can be dangerously affected and cause a sudden capsize. These include the free movement of liquids and fish in tanks, icing-up of the superstructure and the movement of trim weights. The treatment of the subject is based upon the Department of Trade syllabus for skippers and second-hands of fishing boats.

The third film, 'Shiphandling', is the first of a series of films intended to aid the instruction of merchant navy cadets and also experienced mariners. Part 1 demonstrates the effect of engine revolutions, speed at start of turn, depth of water under the keel and directional stability on the turning characteristics of ships.

All these 16 mm, colour and sound, films can be purchased from Videotel Marine International Ltd. Further information on these and other NMI films is available from the National Maritime Institute, Feltham, Middlesex TW14 0LQ, tel. 01-977 0933, telex 263118.

Use atomic methods to study biosystems says SRC report

It is important that the potential of atomic bombardment techniques for investigating biological systems should be explored fully, says a report published by the Science Research Council on 23 July. The report is one of a series commissioned from time to time by the biological sciences committee on recent advances at the frontiers of its field.

The Science Research Council, through its science board, is currently supporting the construction of a 'spallation' neutron source at the Rutherford Laboratory at Didcot, Oxford. This source is due to be commissioned in 1982. At the SRC Daresbury Laboratory near Warrington, Cheshire, a high-intensity synchrotron radiation source is nearing completion and is scheduled to come into operation in 1980. Both sources will be primarily for use by members of UK academic institutions.

In the report, Professor T. Blundell of Birkbeck College, London, and Professor W. Fuller of Keele University review the past, present and likely future developments in the use of neutron beams and synchrotron radiation in the biological sciences. It also illustrates the range of contributions that have been made to the understanding of biological processes by the use of these techniques, covering the whole of molecular biology. The report also discusses the opportunities offered by the high-intensity sources currently under construction.

Dr C. Greenwood and Dr A. Thomson of the University of East Anglia review the current use of electronic and vibrational spectroscopy in biology. New developments in this area have largely been brought about by advances in technology as for example in the use of lasers with higher powers and extended frequency ranges, in the use of high-field superconducting magnets and in the use of polarised light especially circularly polarised light of wide energy range.

Copies of the report are available from the Biological Sciences Committee Secretariat, Science Research Council, PO Box 18, Swindon SN2 1ET.

Uranium buying unified

British Nuclear Fuels, the South of Scotland Electricity Board and the Central Electricity Generating Board have agreed to unify their uranium buying activities.

These activities will be carried out under the direction and guidance of a civil uranium procurement directorate, chaired by the deputy chairman of the CEGB and with a membership comprising a board member of the CEGB, a board member of BNFL, a board member of SSEB and the director of planning, CEGB.

The intention is that under this direction uranium will be bought by a uranium procurement organisation at the headquarters' planning department of the CEGB. The staff will be drawn from BNFL and the boards, and the new organisation will be headed by Mr J. A. Waddams of BNFL.

The organisation will ensure that uranium will be available to meet the needs of the generating boards and BNFL for their civil programmes.

DoI organises sixth course in fluid rheology

The sixth training course in fluid rheology is being organised by the Department of Industry at Warren Spring Laboratory from 19 to 23 November.

The handling and processing of slurries, pastes, polymers and other fluids presents problems common to many industries. This course is aimed at the practising rheologist, physicist, chemist and engineer who has responsibility for product formulation; quality and process control; and process plant design, selection and operation.

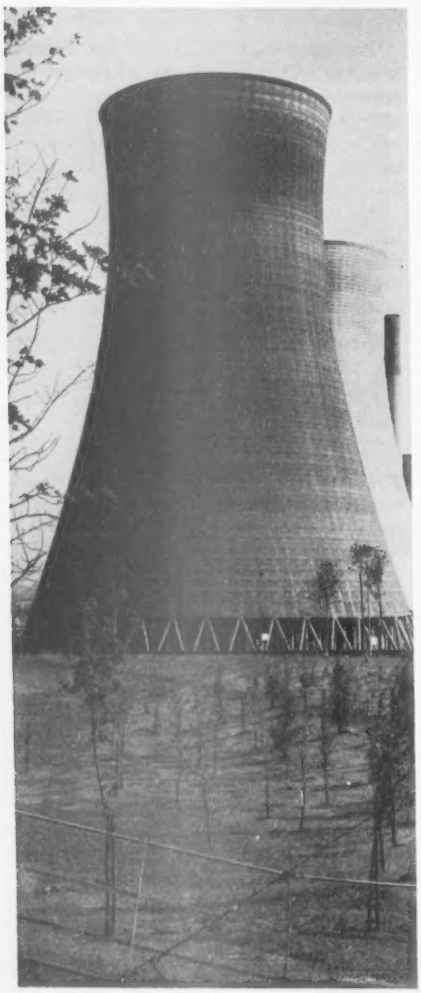
The conference, which is being organised by Dr D. C-H Cheng, will cover three main topics: a wider introduction and background knowledge to fluid rheology; detailed instructions on viscometric techniques; and industrial applications of rheology.

Further details can be obtained from Mrs J. Willer at Warren Spring Laboratory: PO Box 20, Gunnels Wood Road, Stevenage, Herts SG1 2BX, tel. Stevenage 3388.

Conditions under which fishing boat stability is all important: a stern trawler in heavy seas off Land's End featured in NMI's film.

District heating could save energy

Britain's cities could be heated by the waste heat that is a by-product of power generation and save the equivalent of 30 million tonnes of coal a year. So says a report of the combined heat and power group published on 26 July. We summarise the group's findings and suggestions on how they should be put into practice.



The report recommends the setting up of one or more lead-city schemes of district heating as soon as practicable, if necessary with government aid, and also the establishment of a national heat board with the specific task of ensuring that the lead-city schemes and later developments are put into action although three members of the group felt that the electricity supply industry should be the natural organisation to carry out and develop these schemes.

In the course of its investigations the group considered that a detailed analysis of the potential for combined heat and power/district heating (CHP/DH) should be undertaken. It therefore set up a heat load density working party under the chairmanship of Professor J. M. Cassels.

The report says that CHP/DH could save energy and could be a viable economic option for heating buildings in areas of high-density heat load, particularly in the longer term. And the group says 'We cannot emphasise too strongly that a prerequisite of having CHP/DH in the future is to develop district heating networks in the meantime.'

In the short term competition from other fuels – particularly gas – could prevent CHP taking off on any scale on its own accord. So the group reports 'If nothing is done to encourage combined heat and power now we shall not, because of the long lead times, have a CHP/DH option when we need it.'

The report points out that the opportunity for saving energy through combined heat and power schemes exists because a heat engine, such as a steam turbine, cannot completely convert the energy stored in a fuel into mechanical or electrical work. In a modern power station one-third of the energy in the fuel is converted to electricity while two-thirds are mainly thrown out as lukewarm water through cooling towers or to rivers or the sea.

The group is not under any illusions that putting CHP/DH into effect in the short term would be easy. There might be many problems on lead-city sites, and the report mentions public reaction to the disruption of city centres but adds local organisations to manage these schemes should be set up with care because of the key role they had to play.

The report also suggest that the merits of gearing CHP schemes to the government's initiatives for the regeneration of inner city areas should be explored.

Will it pay?

In the medium term CHP for inner city and large city developments using medium to large turbines was an attractive option in terms of national resources compared with other heating alternatives, if a relatively low return on capital (a 5 per cent discount rate) and doubling of fuel prices by the year 2000 was assumed, says the report. But in the long term when oil and gas are no longer available, CHP/DH looks an attractive economic and energy-saving option compared to other forms of heating, the report says.

Will it cost?

The long-term studies carried out by the group show that the total capital costs of meeting 30 per cent of the domestic, commercial and institutional heating and hot water load in the longer term (after 2000) by CHP/DH could be in the region of £17,000 million when using coal as the primary fuel, or £20,000 million when using nuclear power. This compares with £20,000 million for coal and £29,000 million for nuclear power when used for direct on-peak electrical heating and £16,000 million using substitute synthetic natural gas from coal.

CHP in industry

Combined heat and power can also be applied to industry's needs for process, space and water heating. CHP was already well established in industry producing 15 per cent of its electricity requirements. Seventy per cent of privately-generated electricity was associated with heat recovery. The major barriers to further investments were, says the report, the requirement by industry for a high rate of return on investment and the scarcity of management resources.

However, the group thinks there is further potential for development, and recommends the government to encourage worthwhile CHP schemes. 'We recommend that if the government gives further financial assistance for energy conservation measures, then CHP in industry should be given priority.'

Its studies, says the group, had shown that although much advice on CHP was available to industry this advice was frequently not sought since industry's main concern lay in other directions. It recommended that the government should extend the information and advice available on industrial CHP, by setting up a government-financed service to deal specifically with CHP, on an exploratory basis for a trial period of three years. 'We suggest that if a central service were given the task of stimulating those sections of industry where CHP might be appropriate, together with the energy industries, local authorities, government departments and the CBI, a more rapid development of CHP might be achieved', the group says.

How much heat-load?

In its report 'Heat loads in British cities', the heat load density working party estimated the national potential high-density heat load which would be available for CHP/DH lay between 24 and 45 gigawatts depending on the assumptions made. These estimates were based on detailed surveys of five representative areas in the UK.

The report showed that 50 per cent of the national high-density heat load was associated with greater London, and that 80 per cent was associated with the five largest conurbations, ie – greater London, west Midlands, greater Manchester, Merseyside and Glasgow.

The reports

'Combined heat and electrical power generation in the United Kingdom' – Energy Paper 35 – A report to the Secretary of State for Energy, prepared by the combined heat and power group, HMSO, price £3.75 net.

'Heat loads in British cities' – Energy Paper 34 – Report of the heat load density working party of the combined heat and power group. HMSO, price £2.75 net.

A list of survey reports carried out in support of individual aspects of the group's overall work is contained in the CHP report. These reports are available as priced publications from the Department of Energy Library.

Recommendations: summary

Majority

To create a timely option for the national development of combined district heating and power generation, one or more lead-city schemes should be started as soon as practicable. The financial aspects of each scheme should be reviewed by government immediately before substantial funds need to be committed. A reasonable measure of government financial aid should be extended if necessary to the lead scheme(s) if the scheme is judged to assist the growth of full scale combined district heating and power generation in this country. Local organisations to manage these schemes should be set up with care because of the key role they must play.

To bring this about the government, as a first step, should set up a national heat board charged with the task of:

- ☐ producing an overall national strategy for CHP and identifying lead-city schemes.
- ☐ setting up local organisations at the earliest possible moment.
- ☐ carrying out detailed studies of other cities and towns.
- ☐ setting aims and objectives for the district heating industry and all concerned in the implementation of CHP/DH.
- ☐ setting up a financial framework for the implementation of CHP schemes.
- ☐ carrying out work on the setting of standards, legislation R&D and other studies.

Three members of the group, while agreeing with the need for lead-city schemes, thought that the electricity supply industry (ESI) was the appropriate organisation to take the lead at national level than a heat board.

Minority

The British Gas Corporation representative did not agree with the majority recommendations on district heating. His recommendations are:

Before a decision regarding national or local implementation of CHP is taken by the government, there should be detailed and comprehensive evaluation in one city of: all the practical aspects of implementation including environmental disturbance, traffic disruption, public reaction and consumer preferences on heating; the total cost including the size of subsidy and period over which it would be required; and the time scale for implementation of the scheme and the factors affecting it.

The city should be selected by a small government team and the work to be then carried out by a small local group set up by government and working in the closest co-operation with representatives of all local interests.

A decision regarding implementation to be then taken in the light of the detailed additional information and experience, and possible developments in other options.

The result of the detailed specific evaluation to be taken into account by the government in deciding whether there was a requirement for a national strategic development of CHP/DH in the long term and if so, the structure and function of the national co-ordinating body.

Further evaluation of the long-term SNG/heat pump option to be carried out for more detailed comparison with CHP/DH.

Industrial combined heat and power

The group make the following recommendations on the use of CHP in industry:

The government should encourage the setting up of worthwhile industrial CHP schemes for single plants and industrial estates for both private and ESI ownership.

The electricity supply industry should continue to seek out and give advice and encouragement to industries where CHP might have potential advantages and co-operate in the setting up of any such worthwhile schemes.

The government should extend the information and advice available on industrial CHP, by setting up a government-financed service to deal specifically with CHP, on an exploratory basis for a trial period of say three years. This service should seek out potential CHP schemes and estimate the extent of future development if possible.

If the government considered extending the existing energy conservation assistance measures then industrial CHP should be given high priority.

In its negotiations on the purchase of electricity from industry, the ESI should be sensitive to the need to encourage the development of worthwhile CHP schemes.

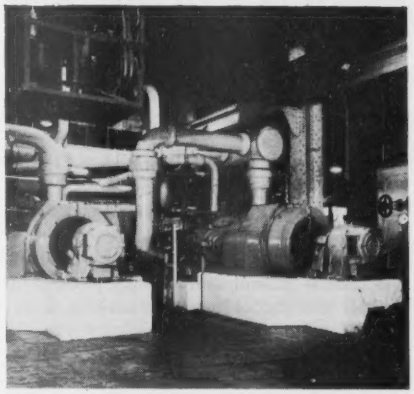
The ESI should continue to publish its policy on private generation and include further information on the purchase of electricity from industry.

In its negotiations for the sale of gas to industry for application in gas turbine CHP schemes, the BGC should be sensitive to the need to encourage the development of worthwhile schemes which would result in energy savings compared for example with the burning of gas under heat-only boilers.

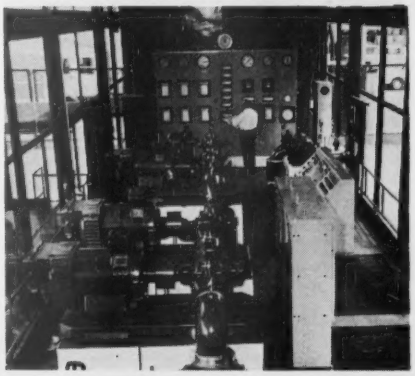
. . . meanwhile down in Pimlico

Waste heat from Battersea's famous power station has been used for nearly 30 years to heat a residential estate (below) and flats in Pimlico. Details of the system commissioned in 1950 are shown below.

The two 1.35 MW back-pressure turbines installed at Battersea power station supplying the space heating and hot water service.



The pumphouse at Battersea power station.



New products

Digital electronic thermometer

A portable, digital electronic thermometer, model 556, has been introduced by Polkinghorne Industries Ltd, of Workington, Cumbria. This high resolution, dual range instrument can measure any type of thermocouple and with equally important versatility can be used as a dc millivoltmeter. The model shows a 13 mm high character liquid crystal display. It is designed for use throughout industry, including food production to road making, heating and ventilating. The instrument is housed in a grey aluminium extrusion with a black front panel. Overall it measures 135 by 90 by 45 mm, and weighs 500 g. It is compact, robust, easy to use and to carry – the instrument housing incorporates a carrying handle which doubles as an adjustable angle support leg for bench use. The model 556 is guaranteed for 12 months.

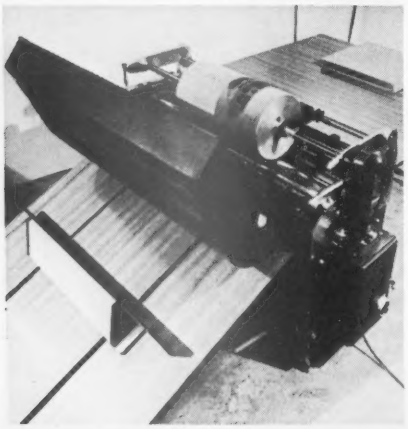
Further information: circle 564.

Overprint machine for cartons

Following first successful showings at overseas exhibitions, the mark 3 Lawco overprint machines (LOM) has been introduced to the home market by Lawtons of Liverpool Ltd. The LOM system provides a flexible inhouse facility for high-speed identification marking of cartons, sacks, fibreboard cases, plywood and other packaging material in flat form.

In addition to incorporating improved efficiency and design features the LOM mark 3 is able to handle paper sacks and board cartons up to 129.5 cm wide and 18 mm thick in unlimited lengths. The extra printing capacity will enable manufacturers and packers to comply with legislation in the packing of certain commodities by externally identifying full pack contents and to meet the trends towards larger size packs.

Mark 3 version of the Lawco overprint machine.

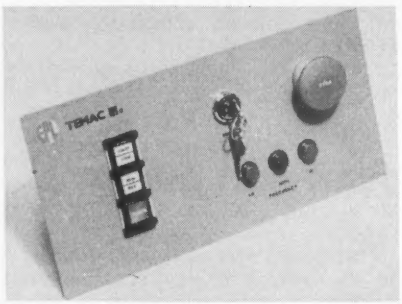


The print area on the new model is increased to 63.5 cm in length by 76 cm width. This extra width is obtained either by fitting one cylinder with that size print area or alternatively fitting two adjacent cylinders with respective print heads of 50.8 cm and 25.4 cm widths. The 50.8 cm width head is a new feature and it is double the size of the standard LOM mark 1 and 2 heads. Operated by standard 240 V single phase power, mark 3 runs at speeds up to 27.5 m per minute which allows a total of 1000 to 1500 items to be processed per hour. For continuous print runs on cartons, a semi-automatic kick feed can be fitted which increases carton throughput to approximately 2500 per hour.

The mark 3 incorporates the latest developments in improved efficiency and safety design, including a new electric brake with linked clutch booster which improves the tolerance of print registration. This development increases the system's suitability for printing shrinkwrap trays and similar materials where overprinting registration is critical.

Further information: circle 565

Automatic control of gas turbines by microprocessor



Temac control panel.

Two push buttons, one master switch and an emergency stop button are all that is necessary to provide complete control of any known gas turbine (in the power generation mode), with the new microprocessor-based Temac III (Turbine Engine Monitoring And Control) system designed and manufactured by Asmap Environmental Products Ltd of Newport, Isle of Wight.

The power/weight ratio of gas turbines offers greater portability when compared to petrol or diesel engines, and in all applications the need to have skilled gas turbine operators and engineers in attendance has been removed, when Temac is installed, the company claims.

Positive control in the start, run and emergency modes of operation is automatic; special routines for hot starts and so on are included in the marine and some other applications.

In remotely controlled gas turbine equipment, control signals and engine operating parameters are readily interfaced with two-wire control or telemetry systems. No critical adjustments, mechanically or electronically are required, so easing calibration, installation and maintenance.

For power generation or pumping applications in industry, automatic frequency control, automatic pump priming and flow control may be included, and the ability to select one Temac III unit as master in multiple systems is available.

For fire-fighting applications, especially oil rig, coastal and harbour installations where maximum pumping effort is required, ease of trans-shipment is paramount and, with the lack of need for skilled operators the system has great potential.

Based on the company's series of microprocessor printed circuit boards, the unit size is dictated by mechanical effort required for fuel control. Units for medium-sized engines are approximately 20 by 20 by 12 cm, and weigh 2 kg.

Temac is the latest addition to AEPL's family of monitoring and control systems, and has been developed over an intensive 18-month period, originally for marine use in fast patrol craft, where emergency control of two engines can be provided by one Temac system.

Further information: circle 566

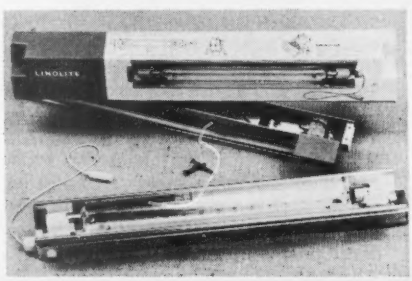
Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Compact reflector light

The KY reflector, a 'ready-to-use' task light from Linolite Ltd, Feltham, is 49 mm (2 in) deep and 345 mm (13½ in) wide. It comprises a ready-wired, anodised aluminium reflector (complete with cable clamp and three-way connector), 60 W striplamp, and cord-pull switch. Fixing can be horizontal or vertical by means of the two screws provided.

Further information: circle 567



European community news

EEC-China committee agrees increased trade access

Increased access to the community was agreed for a range of Chinese goods covered by quota restrictions outside the scope of the recent textile negotiations, during the first meeting of the EEC-China joint committee on 17 and 18 July in Peking. The joint committee which followed hard on the heels of negotiations for an EEC-China textiles agreement was largely concerned with further improvements in China's access to community markets. As far as the UK is concerned, imports from China of ornamental ware will be liberalised and increases in quota levels have been agreed on a further six items.

The community agreed in principle to admit China to its generalised scheme of tariff preferences (GSP) but the Chinese delegation were advised that China would still have to be excluded for certain sensitive items. Detailed terms of China's participation will now be worked out, the intention being to include China in the scheme from 1 January next year.

A discussion of general trade prospects was also included in the talks held in a good atmosphere and representing a further step in the expanding trade relations between the community and China.

The community delegation was led by Sir Roy Denman, director general of external relations, and the Chinese delegation by Mr Sun Saozhang, director of the third department at the Ministry of Foreign Trade.

EEC-Yugoslavia negotiations

Negotiations between the community and Yugoslavia were resumed in Brussels on 2 July with a view to concluding a co-operation agreement to replace the existing trade agreement which has been tacitly extended since 30 August last year. The community has proposed restriction-free access for Yugoslavia's industrial products, subject to tariff ceilings for some items and special arrangements for agricultural products including beef.

The co-operation agreement under discussion is a new type of agreement but follows along the lines of the Belgrade joint declaration of 1976.

Positions stated

The new meeting was designed to enable both delegations to state their respective positions and views on the future of EEC-Yugoslavia relations, taking into account Yugoslavia's specific situation as a non-aligned European, Mediterranean country.

More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:

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Government may support 'scrap and build' scheme

A community 'scrap and build' scheme would be supported by the UK provided that it was cost-effective.

This was said to the House of Commons on shipbuilding on 23 July, by Adam Butler, Minister of State at the Department of Industry.

The commission had been discussing the scheme with the community's shipping and shipbuilding industries, and with member states' governments for several months.

The principle

The principle of 'scrap and build' is to encourage through subsidy the bringing forward of new orders for ships, but the subsidy would be conditional upon the scrapping of more old tonnage than that ordered. In this way shipbuilders could gain work without harming the interests of the shipping industry by increasing shipping capacity.

The commission is considering proposing such a scheme to the council.

French ban on UK lamb taken to European court

No French import licences were available to UK exporters of sheep and sheepmeat in the week beginning 30 July. This is the first period of non-availability so far this year. Agriculture minister Peter Walker, said that he deplored the fact that the French government had again closed their market to imports of sheepmeat from the UK. This closure, he said, like previous closures, was highly disruptive and discriminatory against the UK and was, in the UK's judgement, totally against the whole foundation of a common agricultural policy.

In the absence of a organisation for sheepmeat, France protects her producers from low UK and world prices by a system of controls on imports. Under the system, imports are licensed, and subject to a levy. When the French market is weak licences are not issued.

The commission has taken the French to the European court because these controls, which apply to the UK alone, may be contrary to the treaty of Rome. The court's judgement is expected in the autumn and it is widely thought that the French controls will be ruled illegal.

Commission proposals for control of steel aids

Aids to steel industries granted by individual member states may be subject to commission scrutiny. Proposed new rules set out in a draft decision are intended to ensure that actions taken by member states do not impede the overall process of restructuring the community steel industry.

The rules would make member states responsible for deciding if any finance provided by them constitutes or contains an element of aid and therefore falls to be notified under the provisions.

The commission has indicated that it proposes separately to seek prior notification of regional and general aids by using its existing powers under the treaties. The original draft decision has been significantly modified and it now relates solely to specific aids (that is, those of a type or with terms peculiar to the steel industry). It will be the subject of a House of Commons debate in October.

EEC anti-dumping regulation amended

The community's anti-dumping legislation, regulation (EEC) 459/68, has been amended following the council of ministers adoption of proposals from the commission.

These amendments try to clarify certain parts of the existing regulation. The changes include clearer and more precise rules for

adjustments which should be made to obtain a fair comparison between the export and domestic price of the product concerned; clearer identification of the treatment of sales on the domestic market at a price below the cost of production; the inclusion of a procedure for assessing the fair market price of a range of similar products by use of weighted averages and an improved procedure for calculating price comparisons in cases against imports from non-market economy countries.

The rules on injury have also been clarified, in particular to ensure that injuries caused by other factors are not attributed to dumping.

The revised regulation also lays down in greater detail the conditions under which interested parties may have access to information used during the investigation, or may ask to be informed of the essential facts and considerations on the basis of which the commission intends to propose definitive action.

Finally, there is the provision that where dumping has been eliminated by an undertaking to raise prices any provisional duties imposed may be definitively collected if dumping and injury have occurred before the price undertaking.

The text of amendments was published on Friday 3 August in the *Official Journal of the European Communities* and took effect on Monday 6 August.

The regulation will need to be amended again for 1980 to bring into effect changes necessary to implement the new subsidies and countervailing code negotiated during the recent Gatt multilateral trade negotiations and also to incorporate revisions to the Gatt anti-dumping code designed to bring the two codes into alignment.

Harmonisation of customs procedures package adopted

During the past few weeks, the EEC council of ministers has adopted a number of important proposals in the customs sector. The directive on customs debt (which defined the point in time when customs duties become liable for payment) was adopted by the council on 25 June with an implementation date of 1 January 1982. The regulations on remissions or repayments of duty were adopted on 2 July as well as the regulations on post clearance collection of duty. Both are due for implementation on 1 July 1980. These regulations set out the conditions under which overpaid customs duties can be repaid or remitted and underpaid customs duties can be recovered.

The directive on the harmonisation of procedures for the release of goods for free circulation was adopted on 24 July. Implementation of this directive, which is planned for 1 July 1981, is conditional on the previous adoption of another community regulation defining who may enter goods for customs purposes. So far, only the customs debt directive and the remissions or repayment regulation have appeared in the *Official Journal* (L173 and L175 respectively). However, it is anticipated that the other two instruments will follow in the near future.

Further information tel. 01-626 1515 ext. 3422.

Higher grade jam specification to be introduced

To comply with a directive adopted by agriculture ministers on 24 July the UK will have to introduce a specification for better-quality jam. The directive concerns the approximation of the laws of member states relating to fruit jams, jellies, marmalades and chestnut purée. Regulations made under the Food and Drugs Act 1955 will be needed to implement this directive and it is anticipated that these regulations will also revoke the Food Standards (Preserves)Order 1953.

The main changes which the directive will require are the introduction of the additional specification for a better-quality product to be known as 'extra jam' and with higher fruit content, a lowering of the minimum soluble solids content (in effect the sugar content) from 65 per cent to 60 per cent, and the additional labelling requirements, in particular the declaration of the fruit and sugar content.

Member states have two years from the date of notification of the directive in the *Official Journal* to amend their legislation to permit the marketing of products conforming to the directive and a further year to prohibit the marketing of products which do not conform.

UK regional development programme

The United Kingdom regional development programme for 1979 to 1981 has been sent to the European commission. The programme describes industrial, socio-economic and related problems in each of the assisted areas and in Northern Ireland, together with the measures taken to deal with these problems, including the provision of financial assistance for industry and infrastructure. It does not, however, take account of changes in regional policy announced on 17 July.

Similar programmes are produced by all EEC member states as a necessary background for applications to the European regional development fund.

Subject to availability, copies of the UK programme may be obtained from the Department of Industry, Regional Policy and Development Grants Division, Room 401, Abell House, John Islip Street, London SW1P 4LN, tel. 01-211 6052.

Copies of the programmes of other member states are being published by the European commission and may be obtained from HMSO, PO Box 569, London SE1 9NH, tel. 01-928 6977 ext. 365.

EIB loans help water and tourism

Two loans totalling £28.8 million have been granted to the National Water Council (NWC) by the European Investment Bank and a third loan of £3.8 million goes to Devon County Council to help expand industry and tourism.

The first of NWC's loans for £25.4 million for five years at 10.05 per cent is being passed

European parliamentary committees: UK members

British members of the European parliament have been elected to the 15 special parliamentary committees as follows. Total membership of the committees is in parentheses. The chairmen of the committees have not yet been formally elected.

Political affairs committee (41)
Lord Bethell (Con/Dem)
Baroness Elles (Con/Dem)
Adam Fergusson (Con/Dem)
Christopher Jackson (Con/Dem)
Alf Lomas (Lab/Soc)
James Scott-Hopkins (Con/Dem)

Agriculture committee (39)
Robert Battersby (Con/Dem)
Barbara Castle (Lab/Soc)
David Curry (Con/Dem)
Paul Howell (Con/Dem)
Sir Henry Plumb (Con/Dem)
James Provan (Con/Dem)
Joyce Quin (Lab/Soc)

Budgets committee (37)
Richard Balfe (Lab/Soc)
Eric Forth (Con/Dem)
Brian Hord (Con/Dem)
Robert Jackson (Con/Dem)
Lord O'Hagan (Con/Dem)
John M. Taylor (Con/Dem)
Fred Tuckman (Con/Dem)

Economic and monetary affairs committee (37)
Neil Balfour (Con/Dem)
Richard Caborn (Lab/Soc)
Basil de Ferranti (Con/Dem)
Norvella Forster (Con/Dem)
William Hopper (Con/Dem)
Sir David Nicolson (Con/Dem)
Sir Brandon Rhys Williams (Con/Dem)
Allan Rogers (Lab/Soc)

Energy and research committee (34)
Gordon Adam (Lab/Soc)
Peter Beazley (Con/Dem)
The Marquess of Druro (Con/Dem)
Michael Gallagher (Lab/Soc)
Tom Normanton (Con/Dem)
Rev. Ian Paisley (DUP/Ind)
John Purvis (Con/Dem)
Madron Seligman (Con/Dem)
Sir Peter Vanneck (Con/Dem)

External economic relations committee (36)
Sir Fred Catherwood (Con/Dem)
John de Courcy Ling (Con/Dem)
Edward Kellett-Bowman (Con/Dem)
Barry Seal (Lab/Soc)
Sir John Stewart-Clark (Con/Dem)
Michael Welsh (Con/Dem)

Legal affairs committee (25)
Ian Dalziel (Con/Dem)
Thomas Megahy (Lab/Soc)
Dr Christopher Prout (Con/Dem)
Amedee Turner (Con/Dem)
Alan Tyrell (Con/Dem)

Social affairs and employment committee (27)
Roland Boyes (Lab/Soc)
Beata Brookes (Con/Dem)
Ann Clwyd (Lab/Soc)
Derek Prag (Con/Dem)
Tom Spencer (Con/Dem)
James Spicer (Con/Dem)

Regional policy and regional planning committee (29)
Winifred Ewing (SNP/EPD)
Winston Griffiths (Lab/Soc)
David Harris (Con/Dem)
John Hume (SDLP/SOC)
Alasdair Hutton (Con/Dem)
Elaine Kellet-Bowman (Con/Dem)
John D. Taylor (OUP/Dem)

Transport committee (25)
Richard Cottrell (Con/Dem)
Lord Harmar-Nicholls (Con/Dem)
Brian Key (Lab/Soc)
James Moorhouse (Con/Dem)
Robert Moreland (Con/Dem)

Environment, public health and consumer protection committee (27)
Ken Collins (Lab/Soc)
Gloria Hooper (Con/Dem)
Stanley Johnson (Con/Dem)
William Newton Dunn (Con/Dem)
Dr Alexander Sherlock (Con/Dem)

Youth affairs, culture, education, information and sport committee (27)
Janey Buchan (Lab/Soc)
Ben Patterson (Con/Dem)
Peter Price (Con/Dem)
Anthony Simpson (Con/Dem)

Development and co-operation committee (27)
Derek Enright (Lab/Soc)
John Marshall (Con/Dem)
Andrew Pearce (Con/Dem)
Richard Simmonds (Con/Dem)
Sir Fred Warner (Con/Dem)

Budgetary control committee (27)
Robert Battersby (Con/Dem)
Edward Kellett-Bowman (Con/Dem)
Brian Key (Lab/Soc)
Peter Price (Con/Dem)
John M. Taylor (Con/Dem)

Rules of procedure and petitions committee (27)
Ben Patterson (Con/Dem)
Dr Christopher Prout (Con/Dem)
Allan Rogers (Lab/Soc)
Amedee Turner (Con/Dem)
Alan Tyrell (Con/Dem)

Abbreviations
Soc: Socialist group.
Dem: European democratic group (formerly European conservative group).

on to the North-West Water Authority to cover half the estimated costs of carrying out works to increase water supplies to north Merseyside, parts of Cheshire and the Bolton district, plus improved sewerage infrastructure in Ashton under Lyne, Davyhulme, Eccles, St Helens, Macclesfield, Blackburn and Carlisle.

The second loan for £3.4 million, also for five years at 10.05 per cent, goes to the South-West Water Authority to re-inforce the water supply system in the Plymouth area, mainly by making more use of the resources of the River Tavy. EIB lent £4 million for this project in July last year. Together these two loans cover half the estimated cost.

The third loan – for £3.8 million has been made to Devon County Council for five years at 10.2 per cent for a series of infrastructure works needed to expand industry and tourism. These include development roads, drainage, small advance factories for eight industrial estates, a road in Plymouth improving access to an industrial estate and the city's port facilities, including the cross-channel ferry to Roscoff (Brittany). Improvements to Exeter airport – a runway extension, new landing systems and terminal modifications – are also covered. The total cost of these works is put at £7.5 million.

ECSC's 100th loan to UK

On 30 July the hundredth loan from the European Coal and Steel Community (ECSC) was granted to the UK by the commission.

The hundredth contract is for a loan to the National Coal Board, and is the board's twenty-ninth individual loan. This demonstrates the continuing interest of the commission in devloping the coal reserves of the community as an alternative supply of energy.

Four-fifths of these loans were made under article 54 of the ECSC treaty, which provides for loans for projects directly concerned with the coal and steel industries. The remainder were made under article 56 of the same treaty which empowers the commission to make loans at reduced rates of interest for projects which create new employment in areas affected by the run down of the coal and steel industries.

Since joining the EEC the UK has received a total of £849.44 million in direct loans from the ECSC, of which 1,256.59 million Eua (£791.40 million) were under article 54 and the remainder under article 56.

EEC indicative ceiling imports from Efta

We have been informed that community imports of the following goods have exceeded the indicative ceiling level for 1979 (see *Trade and Industry*, 2 March):

Order no.	Country of origin	CCT heading/Description
		ex 48.07 C
IA4	Austria	Coated printing and writing paper
		ex 48.01 F
ISF4	Finland	Woodfree printing and writing paper, Bible paper, etc
		59.04
IP5	Portugal	Twine, cordage, ropes and cables, plaited or not
		ex 48.01 F
IS4	Sweden	Woodfree printing and writing paper, Bible paper, etc

Imports of frozen hake suspended

A regulation suspensing imports of frozen hake whole, headless or in pieces falling under tariff heading ex 03.01 B1q) and frozen fillets of hake under tariff heading ex 03.01 B11b)7 was adopted by the commission on 30 July. The regulation applies to imports into the community from third countries. The suspension does not apply to imports which comply with the reference prices for different presentations of frozen hake which are fixed each year by the community.

Current reference prices for fresh, chilled and frozen fish have applied since 1 January 1979, and are set out in EEC regulation 3002/78. Co-efficients to vary these prices for different presentations are given in EEC regulation 2953/77.

Reference prices for frozen hake are as follows:

Presentation	Reference price in European currency units per metric tonne	Reference price in £ per tonne
a Frozen hake, whole, headless or in pieces:		
1 Whole with or without head	463	242.89
2 Other	712	373.51
b Frozen fillets of hake:		
1 With bones (standard)	802	420.72
2 Boneless	922	483.67

The regulation has been made under article 19 of EEC regulation 100/76 which authorises the commission to take action if the entry price for a given product imported from any third country is lower than the reference price.

Suspension of the CCT

The EEC commission has notified the Department of Trade of member states' requests to re-open discussions on the following items; total suspension of the common customs tariff (CCT) for the period 1 January to 30 June 1980 is sought in each instance.

CCT heading/Description

ex 28.55 A
Iron phosphides (ferro-phosphorus) containing 15 per cent or more by weight of phosphorus, for use exclusively in the manufacture of refined phosphoric iron or steel
ex 29.02 C
1,2-Bis-(2,4,6-tribromophenoxy) ethane
ex 39.02 C.XIVa)
Copolymers of ethyl acrylate and vinyl chloroacetate, in one of the forms mentioned in Note 3 (a) and (b) to Chapter 39
ex 39.03 B.III
Cellulose acetate (not plasticised) in flakes, intended exclusively for the synthetic fibre industry
ex 48.01 F
Japanese tissue (special long-fibre paper) for the manufacture of artificial sausage casings or for wrapping man-made fibres (continuous) in the course of industrial processing
ex 49.11 B
Sheets (not being trade advertising material) folded, merely with illustrations or pictures not bearing a text or caption for editions of books or periodicals which are published in different countries in one or more language

The department will wish to take account of UK interests in making its views known to the EEC before decisions are taken whether to grant these proposed suspensions. UK producers of the goods in question or of like competing products are entitled to object where they consider that they are able to supply the whole or the greater part of the needs of the community and that their interests would be adversely affected by suspension of the CCT. Producers wishing to object should provide as much as possible of the following information:

1 Estimated community (nine countries including the UK) demand in 1980
2 Estimated UK demand in 1980
3 UK production expected to be available in 1980 for:
3.1 the UK market
3.2 the rest of the community
3.3 exports to other countries.

This information should be sent in writing to the Department of Trade, General Division, Room 436, 1 Victoria Street, London SW1H 0ET, to arrive not later than 24 August 1979. **Inquiries:** 01-215 3576.

Directory on European trading standards produced

The Institute of Trading Standards Administration, with the help of the House of Lords' computer data-base, has produced what is believed to be the first comprehensive directory of European community trading standards legislation for England and Wales.

The directory lists 529 pieces of current law, of which 246 are directly attributable to the UK's membership of the EEC. It has been produced to save duplication of effort in compiling similar lists and to provide a factual reference and backcloth to part III of the directory (now in course of preparation) which will detail those laws, regulations and directives in the pipeline.

The price for parts I and II is £2 and, is available from the Institute of Trading Standards Administration, Westminster Council House, Marylebone Rd, London, NW1 5PT, tel. 01-828 8070.

New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Exports Services and promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7174/482/408.

Common agricultural policy

The texts of the following regulations and decision which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities.*

Animal health. Decision 79/654/EEC amending decision 79/277/EEC derogating from decisions 78/693/EEC, 78/694/EEC, 78/695/EEC and 79/238/EEC concerning animal health conditions and veterinary certification for imports of fresh meat from Argentina, Brazil, Uruguay and Paraguay. In articles 1, 2, 3, and 4 of decision 79/277/EEC the date '31 July 1979' is replaced by '31 December 1979' (*Official Journal* L186, 24 July 1979).

Pigs and pigmeat. Regulation (EEC) 1542/79 fixing the

weighting coefficients to be used in calculating the community market price for pig carcases and repealing regulation (EEC) 1731/78 (*Official Journal* L187, 25 July 1979).

Cereals and rice. Regulation (EEC) 1543/79 amending article 5 (1) of regulation (EEC) 1629/77 laying down detailed rules of application for special intervention measures to support the development of the market in common wheat of bread-making quality. (*Official Journal* L187, 25 July 1979).
Regulation (EEC) 1547/79 amending article 11 (1) of regulation (EEC) 2727/75 on the common organisation of the market in cereals, by substituting '1979/80 marketing year' for 'marketing year 1978/79' (*Official Journal* L188, 26 july 1979).
Regulation (EEC) 1548/79 fixing cereal prices for the 1979/80 marketing year (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1549/79 laying down the minimum requirements for common wheat for bread-making (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1550/79 fixing, for the 1979/80 marketing year, the monthly price increases for cereals, wheat and rye flour and wheat groats and meal (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1551/79 fixing, for the 1979/80 marketing year, the list of community regions which qualify for aid in respect of durum wheat and fixing the amount of such aid (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1552/79 amending article 9(1) of regulation (EEC) 1418/76 on the common organisation of the market in rice, by substituting '1979/80 marketing year' for 'marketing year 1978/79' (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1553/79 fixing rice prices for the 1979/80 marketing year (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1554/79 fixing, for the 1979/80 marketing year, the monthly price increases for paddy rice and husked rice (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1555/79 amending articles 3 and 7 of regulation (EEC) 2742/75 on production refunds in the cereals and rice sectors (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1556/79 on the reduction in the levy applicable to certain imports of feed grain imported into Italy before 1 January 1980 (*Official Journal* L188, 26 July 1979).

Tobacco. Regulation (EEC) 1557/79 laying down special measures in the raw tobacco sector in respect of the *Perustitza* and *Erzegovina* varieties (*Official Journal* L188, 26 July 1979).

Milk and milk products. Regulation (EEC) 1565/79 laying down rules for implementing regulation (EEC) 1422/78 concerning the granting of certain special rights to milk producer organisations in the United Kingdom (*Official Journal* L188, 26 July 1979).

Fruit and vegetables. Regulation (EEC) 1566/79 fixing for the 1979/80 marketing year the reference prices for sweet oranges (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1567/79 fixing for the 1979/80 marketing year the reference price for mandarins (including tangerines and satsumas), clementines, Wilkings and other similar citrus hybrids (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1568/79 fixing the minimum price for selling blood oranges withdrawn from the market to processing industries (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1569/79 fixing for the 1979/80 marketing year the minimum purchase price and the amount of financial compensation for oranges delivered for processing (*Official Journal* L188, 26 July 1979).
Regulation (EEC) 1570/79 amending the annex to regulation (EEC) 647/79 applying quality class III to certain fruit for the 1979/80 marketing year by the addition of the following:
'. . . .Oranges of blood varieties other than *Biondo comune*: from 1 October 1979 to 15 July 1980,
. . . . satusmas, clementines, tangerines and other similar citrus hybrids other than mandarins from 1 October 1979 to 15 May 1980'. (*Official Journal* L188, 26 July 1979).

Harmonisation of legislation

Motor vehicles and trailers. Corrigenda. The *Official Journal of the European Communities* L188, 26 July 1979 contains the following corrections to two directives published in the *Official Journal* L128, 26 May 1979.
Directive 79/489/EEC adapting to technical progress directive 71/320/EEC on the approximation of the laws of the member states relating to the braking devices of certain categories of motor vehicles and their trailers.
Page 12, article 2 (2), the second indent, first word: *for:* 'shall', *read:* 'may'.
Directive 79/490/EEC adapting to technical progress directive 70/221/EEC on the approximation of the laws of the member states relating to the liquid fuel tanks and rear underrun protection of motor vehicles and their trailers.
Page 23, article 2 (2), second indent, first word: *for:* 'shall' *read:* 'may'.

Imports from non-member states

Corrigenda. The *Official Journal of the European Communities* L188, 26 July 1979 contains the following correction to decision 79/457/EEC authorising Germany not to apply community treatment to woven fabrics of regenerated textile fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (including terry fabrics) and chenille fabrics, falling within subheading 56.07 B of the common customs tariff (Nimexe codes 56.07-37, 44, 52, 54, 57, 58, 63, 64, 66, 73, 74, 77, 78, 83, 84, 87) (category 37), originating in South Korea and in free circulation in the other Member States published in the *Official Journal of the European Communities* L117, 12 May 1979.
On pages 20 and 21 the list of Nimexe codes in the title, the second citation and article 1 are completed by the insertion of the numbers 42, 53, 62, 72 and 82.

Overseas trade news

UK-China air service to open next April

Air services between the UK and China are due to begin on 1 April 1980 following several weeks of negotiation in Peking, between a British delegation and representatives of the Chinese government.

A formal air service agreement has been initialled which is an updated version of the agreement initialled in 1973. It provides for scheduled services by both sides on a trunk route linking London with Peking via the middle east. British Airways will be able to route its services through Hong Kong for the time being. BA will start with two services a week, using Boeing 747s. The Civil Aviation Administration of China (CAAC) will also operate two services a week, probably using Boeing 707s in the first instance.

Scheduled services should also be operating between Hong Kong and the most important cities in China. CAAC will be able to start services from Peking, Shanghai and some other cities to Hong Kong. CAAC will also continue its Canton service which has been operated under temporary arrangements pending these negotiations.

On the British side, a Hong Kong-based carrier will operate between Hong Kong and Shanghai from the start and will also be able to begin a service between Hong Kong and Peking as soon as British Airways omit Hong Kong from their trunk route. These direct air links will help to maintain Hong Kong's position as a major point of entry to China for both business and tourist traffic.

Both sides are convinced that, in addition to making travel easier, the successful outcome of these negotiations will assist in developing closer political and commercial relations.

British Airways says it expects to carry more than 10 000 passengers between London and Peking in the first year of operations. Gerry Draper, director of BA's commercial operations said that 'the agreement that passengers from London could stopover in Hong Kong on their journey to Peking was an important additional attraction.'

Prospects for middle east trade analysed by Comet

Britain stands to gain an extra £500 million in export revenues as a result of the rise in the disposable income of the middle east oil producers following the latest oil price increases.

This is one of the main conclusions of an analysis of middle east oil revenues and prospects for UK trade made by the committee on middle east trade (Comet). Comet points out that the middle east is now the UK's third largest trading market, accounting for 10.4 per cent of all UK exports.

In terms of individual countries, the analysis points out, the UK exported more to Saudi Arabia in 1978 (£786 million) than to the whole of south east Asia (£774 million), almost as much to Kuwait (£332 million) as to India (£349 million) and as much to Qatar (one of the smallest of the Gulf's markets) as to the whole of China (£91 million).

UK did well

The report states that in terms of market share, the UK did well in 1978, taking 10.6 per cent of all OECD exports to the middle east (compared with 9.9 per cent in 1977), though Comet expresses some concern at the failure of the UK to take advantage of some of the bigger markets in the area. While better than average sales were recorded to Kuwait and the United Arab Emirates (both traditional British markets), Algeria – the third biggest OECD market in the Middle East – accounted for only 3 per cent of all UK exports to the area.

Agriculture ministers meet

Huo Shilian, the Minister of Agriculture of China with Peter Walker Britain's agriculture minister on 27 July. Mr Huo had talks at the ministry on how the UK could help in the modernisation of China's agriculture. Mr Huo led a delegation of 14 ministers and senior officials in the agricultural sector.

BOTB increases charges for export services

The British Overseas Trade Board had decided to increase charges for some of its export services and the new charges will take effect on 1 April 1980.

The board's decisions have been made following the review of charges for official export services which it undertakes annually.

BOTB points out that while many of the board's services are free, its policy is to charge for particular services as a test of the value attached to them by exporters. Selective charging helps to ensure that the public funds available to the board's are used as effectively as possible in support of industry's export promotion activities. It also encourages users to consider whether they are able to make profitable use of a service before asking for it.

In a full year the board estimates that it will recover from the new charges about 16.3 per cent of the total estimated government cost of charged services. For the financial year 1979-80 it is currently estimated that the board will recover about 15 per cent. Last year (1978-79) the board recovered 13.7 per cent. This represented about 4.2 per cent of the estimated total cost of government export promotion services at home and overseas (£77.2 million).

Overseas trade fairs
The charges to firms exhibiting in overseas trade fairs under the board's joint venture scheme will be £25 (previously £18) a square metre for inside space including shell stand and £12.50 a square metre for outside space. The 50 per cent discount for firms taking part for the first and second time in specific events will be continued. The charges to firms exhibiting in British pavilions will go up to £45 a square metre (previously £40) as will those for exceptionally expensive joint ventures (where space alone is £80 per square metre or more).

Overseas seminars
The participation fee will be increased from £100 to £150 a firm for one paper and the charge for additional papers will go up to £75 (previously £50). The fee for ancillary exhibitions will be brought into line with that for joint ventures.

British Export Marketing Centre (BEMC) Tokyo
The fee for taking part in BEMC shows will be increased to £350 (previously £300).

Market advice
The existing agency finding and manufacture under licence services will be incorporated and extended to cover advice from foreign and commonwealth posts overseas, on other local marketing problems and prospects. The current charge of £50 will apply to the extended service.

ECGD backs largest ever loan to Yugoslavia

A $500 million loan to Yugoslavia to finance the building of a steelworks is the largest ever backed by the Export Credits Guarantee Department.

The loan, arranged by Grindlay Brandts, acting on its own behalf and for a syndicate of 26 banks, has been made available to Metalurski Kombinat Smederevo, Yugoslavia.

The loan will help finance a contract awarded to Davy Loewy of Sheffield. Under the contract the firm will supply equipment and know-how and will supervise the erection, testing and commissioning of phase 2 of a cold rolling mill complex to produce steel sheet, tinplate and other cold-rolled products.

Overseas postal rates increased this month

Postal charges for most categories of overseas mail will be increased from 20 August. An exception will be surface printed papers which will be increased, but not until 29 October. These charges have been agreed with the Post Office Users' National Council and the government.

Full details of the revised prices are contained in the 'postal rates overseas compendium', available free of charge to export firms.

A new issue (2/79) is being sent to exporters on the Post Office exporters' mailing list. Any exporter not on this list is invited to send his letterhead marked 'Compendium please' to Overseas Post Division (PO4.3) Room 136, Freepost, Postal Headquarters Building, St Martin's Le Grand, London EC1B 1HQ.

In addition to receiving the compendium, exporters on this list are kept up to date on international postal developments by *Interpost*, a newsletter issued approximately every six months.

March medical fair for China

Agreement has been reached with the China Council for the Promotion of International Trade to hold a British medical exhibition at the Peking exhibition centre next March. The British Overseas Trade Board is offering to arrange the exhibition under its normal terms for all-British exhibitions. These provide, in return for a participation fee of £40 per m^2, the hire of the exhibition halls, provision of stands and display facilities, reception etc and assistance towards travelling costs of exhibitors.

The British Health-Care Export Council is collating applications for stand space and synopses of technical papers to be presented at a seminar to be held at the same time. The Sino-British trade council will also be assisting with the organisation of the exhibition and seminar.

Details can be obtained from the British Health-Care Export Council, 22 Newman Street, London SW1, tel. 01-580 7912.

Plant engineers to exhibit in Chicago show

A joint venture is being sponsored by the Engineering Industries Association (EIA) and the British Overseas Trade Board at the 1980 national plant engineering and maintenance show and conference, to be held at McCormick Place, Chicago, from 24 to 27 March.

This is the first time that EIA has organised British participation at an exhibition in the United States, though the association has much experience of taking joint ventures to exhibitions in other parts of the world.

This annual exhibition, claimed as the world's biggest plant engineering show, attracted over 20 000 visitors in 1978. The United States plant engineering and maintenance market is currently running at over 94 billion dollars, comprising all products and services involved in maintaining industrial plant and commercial premises.

A trade mission to coincide with the exhibition is also being organised by EIA with British Overseas Trade Board support. The mission will be based in Chicago from 21 March to 4 April, but delegates will be free to travel independently throughout the United States.

Details can be obtained from Engineering Industries Association, 16 Dartmouth Street, Westminster SW1H 9BL, tel. 01-222 2367.

Chamber issues training brochure

London's chamber of commerce has issued its training brochure for the 1979-80 academic year.

The courses offered range from export procedures, finance, and faster reading techniques through management techniques to computer training courses.

Copies of the brochure can be obtained from Miss C. A. Measures, London Chamber of Commerce and Industry, 69 Cannon Street, London EC4N 5AB, tel. 01-248 4444.

CBI to hold seminar on Hong Kong and S. Korea

A full-day conference on the Republic of Korea and Hong Kong is being held by the Confederation of British Industry on 26 September.

The Republic of Korea is now among the top 15 industrialised nations in the world and offers considerable opportunities for UK companies, particularly those in the heavy and chemical plant, metalworking machinery, scientific instruments, technical and educational equipment and automotive component fields and in many other industrial and capital goods sectors. The Koreans are looking to western Europe (and to the UK especially) to supply their advanced technology requirements. Investment by foreign companies is encouraged.

Hong Kong is the UK's second largest market in the far east, after Japan. It is a major market in its own right for both consumer and

Embassy phone number changes

On 14 July, the telephone numbers of the British embassy in Damascus, Syria, were changed to 712561, 712562 and 712563.

capital goods and is a prominent shop window for the whole region (which itself has a faster overall growth rate than any other region in the world). Hong Kong can also provide a side-door for trading with China.

Full details and telephone reservations are available from Miss Karen Castle, Confederation of British Industry, 21 Tothill Street, London SW1H 9LP, tel. 01-930 6711.

Commercial diplomats at London chamber reception

Commercial diplomats connected with Spain, Portugal and Greece will be the guests at an evening reception to be held by the London Chamber of Commerce and Industry on 27 September.

The chamber says that this will be an exceptional opportunity for those interested in the expansion of the EEC to meet those commercial diplomats involved in the practical workings of international trade.

Principal guests will be: Georgious Protonotarius commercial counsellor at the Greek embassy; Pedro Alves Machado minister-counsellor at the Portuguese embassy; Don Jose Maria Sierra minister (economic affairs) at the Spanish embassy; P. S. Fairweather counsellor (economic and commercial) at the British embassy, Athens; R. D. Hart first secretary (commercial) at the British embassy, Lisbon; and A. White counsellor (commercial) at the British embassy, Madrid.

Members of the European trade committee of the British Overseas Trade Board will also be attending and Sir Peter Tennant, vice president and immediate past president of the London chamber will be the host and the chairman and members of all the committees concerned with western Europe will be present.

Details can be obtained from Miss Susan Forrest, London Chamber of Commerce and Industry, 69 Cannon Street, London EC4N 5AB, tel. 01-248 4444.

London mission to Brazil to report back

Members of the London Chamber of Commerce and Industry mission which Sir Barrie Heath, chairman of GKN Group, led to Brazil from 23 to 30 June this year will be reporting their findings and answering questions at a meeting to be held at the London chamber on 10 September at 11.00 hrs.

Broad-based

It was a broad-based mission of senior executives of major British companies representing capital goods, engineering, mining, electrical goods, automotive, packaging, process industries, glass manufacture, food and agricultural industries, engineering consultancy, shipping and financial services.

Further information can be obtained from Jennifer Blay, London Chamber of Commerce and Industry, 69 Cannon Street, London EC4N 5AB, tel. 01-248 4444.

Candle company wins export award

Dr Tony Karger (left), director of Kandell Designs of Kilburn, London receives the 1978/79 ACE award for commendable effort in exporting from Lord Redmayne at the international gifts fair London luncheon on 30 July. The company which manufactures decorative candles and toiletries was founded in 1971 with a starting capital of £200. In 1978 it had a turnover not far short of £1 million. Nearly three-quarters of its output was exported. Elkan Simons (centre), president of the Export Council for the British Jewellery and Giftware Federation looks on.

Notices to importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH. Telephone inquiries should be addressed to the number at the end of the notice.

1749: imports of wool tops from Brazil

As already announced the EEC has negotiated with Brazil a restriction on imports into the UK of carded or combed wool (wool tops) falling within tariff heading 53.05 and originating in Brazil.

Pending enactment of community legislation, the provisions of the arrangement are being operated de facto as set out below. The goods affected and the quota established for such goods exported from Brazil during the period 1 August to 31 December 1979 are as follows:

Category no./Tariff heading/Description	Quantity (1 Aug-31 Dec 1979)
46/ex 53.05 Sheep's or lambs' wool or fine animal hair, carded or combed	104 tonnes

On and after 1 August 1979 these goods may be imported into the UK only under the authority of an individual import licence.

Licensing arrangements

The Brazilian authorities will administer the quota by issuing to their exporters export certificates endorsed to the effect that the consignments have been debited against the agreed ceiling for exports to the UK. These certificates should be submitted by UK importers, in support of a completed form ILB/A, to Import Licensing Branch, which will issue import licences up to the quota limit.

Goods in transit

The Brazilian authorities will issue duly endorsed export certificates for these newly restricted goods for consignments exported from Brazil on or after 1 August 1979. Goods in transit to the UK on or before 31 July 1979 will be licensed without the requirement for an export certificate to be produced, provided that satisfactory evidence (ie bill of lading or airwaybill) of the date of shipment of the goods is supplied to Import Licensing Branch in support of a completed form ILB/A; applications in respect of such goods should be sent to reach Import Licensing Branch not later than 24 August 1979.

Imports for re-export

Imports of restricted textiles will not be set off against the quotas if they are re-exported in the same state or after limited processing.

The general import licensing arrangements for restricted textiles re-exported from the UK are set out in NTI 1740.

Inquiries: Import Licensing Branch, tel. 01-603 4644, ext. 367.

Overseas trade exhibitions

Damascus fair gives hope for improved trade

From Jim Atkinson, British embassy, Damascus

Revived optimism for Syria's state-controlled economy was in evidence at the Damascus international fair which for 18 days (from 4 to 23 July) displayed a near-record quantity of exhibits. There were 41 national pavilions exhibiting alongside over 200 private companies with capital plant, particularly earth-moving and construction equipment, and agricultural machinery predominating.

Although this was Damascus' twenty-sixth international fair it was the British Overseas Trade Board's first presence with a sponsored British pavilion. Not all the British companies were newcomers, and of the 27 whose products were on display this year, 10 companies were in the British pavilion. The products these companies exhibited ranged from mobile cranes (Jones Cranes and Ransomes and Rapier) through fire engines (Chubb Fire) to laminating machinery (Laminex International) and perfumery (Northern Aromatics).

Overall attendance at this year's fair was lower than in the past, but even so there was enough activity to keep most British exhibitors busy most of the time. Forty-eight serious inquiries made at the pavilion were from business visitors of neighbouring Arab countries: the regular attendance of Saudi Arabians, Kuwaitis, Jordanians and other Arab businessmen is an important element of this event.

Had it all been worth the exhibitors' time and costs? On balance, yes for most of them. But success or failure at the Damascus fair cannot be judged by the same criteria that apply elsewhere. In Syria most purchases are made by the state organisations: these can only function by decisions in committee and lengthy administrative procedures. Thus an 18-day fair leaves insufficient time for them to decide what to buy, go through the prescribed processes and come up with a firm order. Most orders must be expected to materialise after the fair, and with this year's 28 days of Ramadan starting immediately after the fair ended a long delay has to be expected before real business is done.

David Fisher and Morris Barrett talking with the British ambassador, James Craig (right), beside the Jones mobile high-speed crane.

Firm orders

All of which means that a greater degree of importance than usual must be given to serious inquiries received at this fair, and even more to requests for pro forma invoices: in many cases these will result in firm orders emerging at the end of the bureaucratic cycle.

A good example was the experience of Laminex International. The firm came to the fair for the first time with little hope of success. But its stand was visited by senior Syrian air force officers who, impressed by the machines, persuaded Laminex to cart the machines down to the air force ministry for demonstration before another group of officers.

The demonstration impressed the officers, and while no immediate orders were placed – regulations were not flexible enough for such speed of action – and it could only be classified as a 'serious inquiry' – the chances that the inquiry will develop into a firm order must be reckoned quite high.

Actual orders obtained at the British pavilion amounted to £36,900; the value of pro forma invoices issued was £677,340: and total value of other serious inquiries was £313,000. Added to £2.56 million of orders won by British companies exhibiting independently of the British pavilion gives a sales figure which cannot be said to be bad.

UK companies forge links with Soviet offshore industry

From David Gowan, British embassy, Moscow

Twenty-eight British companies and organisations took part in the British offshore oil and gas seminar and exhibition which took place in Moscow from 16 to 20 July under the sponsorship of the Association of British Oceanic Industries and the British Overseas Trade Board.

The seminar and exhibition were successful in their objective of introducing British oil and gas companies to the new offshore directorate in the Soviet Ministry for the Gas Industry and to foreign trading corporations and other organisations and institutes which are concerned with the offshore sector. The Soviet oil and gas industry is already carrying out some offshore exploration and production particularly in the Caspian Sea, and there is likely to be a major growth of offshore operations over the next five to 10 years.

A number of major UK companies such as British Petroleum, the John Brown Group, Vickers Offshore and the William Press Group took part in the event as well as a number of more specialised firms such as Aqua Logistics, Coles Crane/Priestman, Decca Survey and Hunting Oil Field Services. With two exceptions all the companies had good audiences at their lectures and they were all able to follow up the formal seminar sessions with more detailed discussions on the stands.

Hamish Gray, Minister of State at the Department of Energy, opened the exhibition and welcomed the Soviet guests including Mr N. D. Komarov, Deputy Minister for Foreign Trade, and Mr Yu V. Zaitsev, the First Deputy Minister for the gas industry who now has overall responsibility for the offshore oil and gas industry in the Soviet Union.

The visitors to the show came from a wide range of survey and production organisations and research institutes from many parts of the Soviet Union including the offshore centres at Sakhalin in the far east and Baku on the Caspian. The exhibition was also visited by several high-level parties (most of which were headed by ministers) from the energy ministries and also from foreign trading corporations and the State Planning Committee. Visitors were interested in the onshore (as well as the offshore) equipment and services offered by the participants.

A number of the companies taking part were invited to visit the offshore directorate of the Ministry for the Gas Industry for full discussions about their engineering and technological capabilities, and some held discussions with ministries and foreign trading corporations which may lead to orders for equipment in the reasonably near future.

Good contacts

Nearly all of the British companies which took part in the show were able to establish good working contacts with the Soviet energy ministries and foreign trading corporations. If they are able to develop these links further there should be good opportunities of taking part in major Soviet projects as offshore oil and gas fields are surveyed and developed, particularly during the 1981-85 five year plan.

The number of high-level visitors and specialists who came to the exhibition suggests that the Soviet Union may need to import a wide range of equipment and know-how to develop their offshore reserves of oil and gas, particularly those in the Barents and Kara Seas and also off Sakhalin. At present the Soviet Union appears to be particularly interested in developing contacts with large firms which can offer expertise and equipment in surveying and exploration, test drilling, construction of platforms and underwater technology including underwater completion and hook-up. There is less interest at the moment in some of the secondary equipment such as gas turbines for power generation on offshore structures.

Overseas trade
export services

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Pandair appointed official forwarder to China

Pandair Freight, has been appointed official agent by the China National Foreign Trade Transportation Corporation (FTTC). This corporation is responsible for the movement of all import and export traffic on behalf of more than 10 main industrial and trading corporations in China. FTTC are also responsible for freight movements domestically in China.

The appointment gives Pandair responsibility for forwarding of airfreight exports to FTTC which will then arrange internal distribution. At the same time Pandair will be responsible for the clearance and delivery of inbound traffic from China to the UK.

Probably Pandair says, the volume of traffic would not be sufficient to support a consolidation service and Pandair does not intend to set up a Peking office in the immediate future.

Further information: circle 568

UK to Denmark fast by Thomas Meadows

A fast new delivery service between the UK and Denmark has just been introduced by international freight forwarders Thomas Meadows. Operating from the company's Ipswich office, the service offers shippers a scheduled depot-to-depot transit time of 30 hours which, says Meadows, saves up to 80 per cent on comparable airfreight service costs.

Consignments using the express service are collected twice weekly from Meadows offices at Norwich, Yarmouth and Harwich, are taken by road and sea, and arrive in Esbjerg, for delivery throughout Denmark via the nationwide office network of Meadows' Danish agents. Meadows claim that by not using airfreight, delays, caused by congestion at Copenhagen airport, can be avoided.

Further information: circle 569

Interlingua opens Hong Kong office

Interlingua Language Services has set up an office in Hong Kong to supplement its existing Chinese department in the United Kingdom and to handle translations and typesetting in simplified Chinese for mainland China.

Recently the new office completed the translation into Chinese and the printing of the 381-page official catalogue and much of the exhibitors' publicity material for the British energy exhibition sponsored by the British Overseas Trade Board and held in Peking in June this year; and it is now busy translating correspondence, further brochures and technical specifications for the 364 participating companies and other clients.

Further information: circle 570

Lep expands at Edinburgh

Lep Air and Lep Transport have moved into a new, purpose-built depot on Edinburgh's West Craigs industrial estate.

The fully equipped premises, consisting of 2400 sq ft of office accommodation with an adjoining 2000 sq ft of warehouse space, houses airfreight export and import sections, a surface freight section for exports and a section for imports via the Port of Leith. The depot operates with a full complement of radio/telephone equipped vehicles offering daily, interconnecting express services with Glasgow, Prestwick and London.

For surface freight traffic, the depot will act as Lep Transport's east coast groupage centre for continental and deep-sea services. Lep Air and Lep Transport also offer the depot as an fob export point for the east coast of Scotland for air consolidations and continental TIR groupage services.

Further information: circle 571

Cameroon gets direct UK telex link

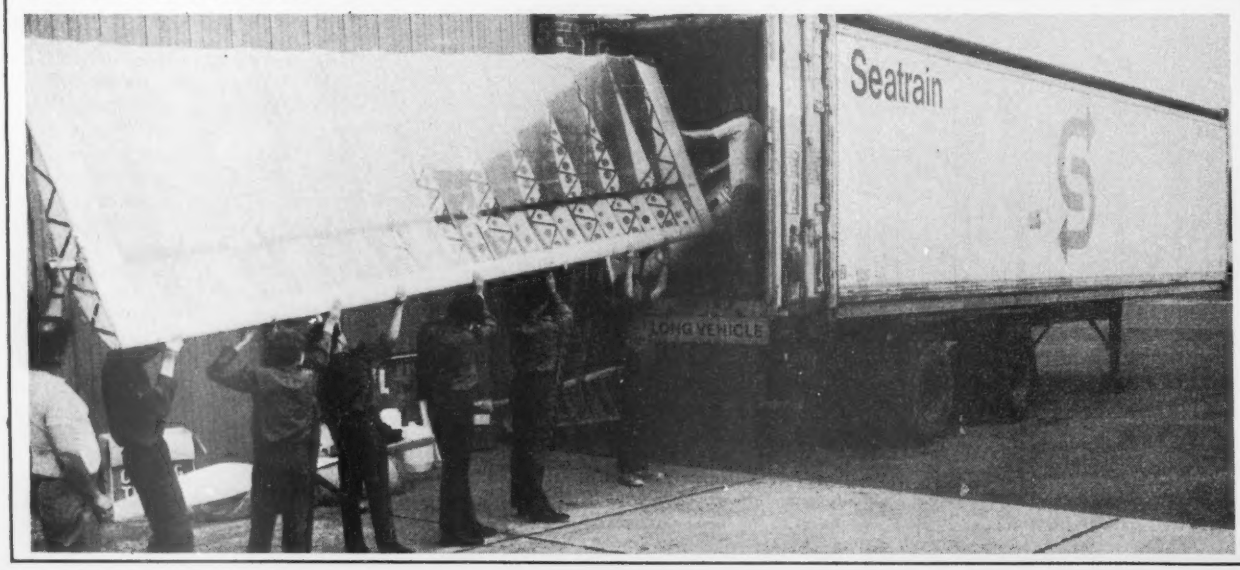
Cameroon, in west Africa, brought, on 23 July, to 125 the countries with which Britain's 80 000 telex users have a dial-direct telex link.

About 2000 calls a month are made via the operator to Cameroon. Major users include the coffee, cocoa, timber, aluminium, rubber and palm product industries.

Further information: circle 572

The 'Gossamer albatross', the fragile aircraft which made the first manpowered crossing of the Channel made a less spectacular return to its United States home in a Seatrain container. The shipment was among the first to take advantage of Seatrain UK's new direct all-water route service to the United States' Gulf port of Galveston. The 'Albatross' which has a wingspan wider than a DC-9, was loaded into two Seatrain open top 40 ft containers. They were then trucked to Greenock for the Atlantic crossing on board the *Seatrain Texas* and then transported from Galveston to California.

Further information: circle 573



Overseas trade country data

Australia

Rubber products. A notice in *Trade and Industry*, 31 March 1978, reported the dates on which the Industries Assistance Commission would be holding a public inquiry into the question as to whether assistance should be accorded the rubber industry in Australia.

The commission has now issued a draft report of its inquiry which is being made available to interested parties to enable them to examine and comment on it before final recommendations are made to government. The commission will hold a further public hearing beginning at 10.00 hrs on 15 August in the Public Inquiry Room, Industries Assistance Commission, Marland House, 570 Bourke Street, Melbourne, to consider comments, if any, submitted to it.

A copy of the draft report may be obtained on loan from Department of Trade, Room 363, 1 Victoria Street, London SW1H 0ET.

Inquiries: CRE 01-215 5319.

Ref: CRE 393/77.

Tariff review: miscellaneous products. As part of the tariff review announced in *Trade and Industry*, 6 July, the Australian government has requested the Industries Assistance Commission to inquire into and to report by 31 December 1981 on the question whether assistance should be provided for the production in Australia of the following:

Candles and other goods falling within tariff item 34.06; matches, pyrotechnics, and other goods falling within an item in chapter 36 of the tariff; plaiting materials and other goods falling within item 46.02; basketwork, wickerwork and other articles falling within item 46.03; walking sticks and the like and parts therefor falling within items 66.02 and 66.03.2; prepared feathers, down, human hair, and articles thereof falling within an item of chapter 67, other than item 67.01.1; articles of stone, of plaster, of cement, of mica and of similar materials, falling within an item of chapter 68 (other than items 68.09, 68.13 or 68.14.1; ceramic products falling within an item of chapter 69 (other than items 69.07, 69.08, 69.11 or 69.12); insulated electric wire, cable, bars, strip and the like, fitted with connectors, falling within item 85.23.2; transport containers falling within item 86.08; ammunition and parts therefor, falling within items 93.07.1, 93.07.2 or 93.07.3; hand sieves and hand riddles falling within item 96.06; dolls, other toys and working models falling within items 97.02 or 97.03; fairground amusements and other goods falling within item 97.08; buttons and button moulds, studs and other goods falling within item 98.01; slide fasteners and parts therefor falling within item 98.02; writing equipment, sealing wax and other goods falling within items 98.03, 98.04, 98.05, 98.07, 98.08 or 98.09; combs, hair slides and the like falling within item 98.12; tailors dummies and other lay figures falling within item 98.16; paintings, drawings and pastels falling within item 99.01.

UK firms and trade associations intending to submit evidence at the public hearings, the dates and locations of which will be published as soon as they are known, should advise the Secretary, Industries Assistance Commission, PO Box 80, Canberra, ACT 2600, Australia as soon as possible. Evidence may be submitted either through the accredited agent of the firm, or trade association concerned, or through the Australian-British Trade Association, 6th Floor, Dorland House, 18-20 Lower Regent Street, London SW1Y 4PW who will represent UK interest if authorised. The association charges a fee for its services, the amount varying according to the work involved in the preparation of a submission and whether or not the interested party is a member.

Inquiries: CRE 01-215 5319.

Ref: CRE 1216/79.

Belgium

Foodstuffs. The *Moniteur Belge*, 138, 19 July, published a decree dated 6 July modifying the decree of 31 August 1976 concerning bread and other bakers' wares.

Copies of the decree (in French) are available from Otar 01-248 5757 ext. 288/466/467.

Belize

Import licensing. The Belize authorities have announced that the following items no longer require an import licence:

Construction steel, cement

The following item now requires an import licence:

Toilet soap (all kinds)

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 7312.

Dubai

Frozen meat. Information received from the British embassy in Dubai states that a regulation requiring a certificate of slaughter for imported frozen meat is under consideration and exporters are advised to provide the certificate from now on. Dubai also requires a health certificate from the place of origin certifying the supervision by a veterinary surgeon of the slaughter and inspection prior to despatch.

Further details regarding the health certificate are available from OTAR 01-248 5757 ext. 475/420.

France

Shellfish. A notice was published in the French *Official Journal*, 19 July, about the packaging of shellfish. Article 7 of the order of 6 January 1977 has been repealed and replaced by the following provisions:

The gross maximum weight of parcels has been fixed as follows: oysters, 18 kg; mussels, 25 kg; scallops, 45 kg; other shellfish, 10 kg.

These limits do not apply to large parcels containing several packages.

Copies of the French text of this notice are available on request from OTAR 01-248 5757 ext. 423/408/439.

Gambia

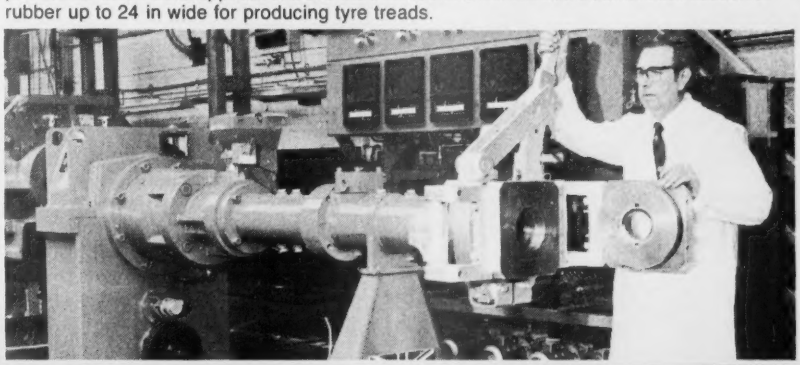
Tariff changes. The 1979-80 Gambian budget introduced the following tariff changes
32.05 and 32.06, dyestuffs: uniform duty of 20 per cent *ad valorem*
duty on radio cassettes (92.11) is reduced to 30 per cent.

The duty exemption on medicines listed in

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exports (CRE) Divisions, 1 Victoria Street, London SW1H 0ET (tel. direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757. In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

One of two Farrel Bridge cold feed rubber extruders, worth £120 000, just before despatch to Refsum Gummivarefabrikk A/S in Drammen, Norway. The latest equipment – a repeat order – consists of 3½ in × 17D and 6 in × 17D Plastiscrew extruders and is similar to machinery installed at Refsum 11 years ago. The 3½ in extruder will produce general rubber profiles for automotive applications and the 6 in machine will extrude a camel back section of rubber up to 24 in wide for producing tyre treads.



CRE tel. Direct dialling
OTAR tel. 01-248 5757
Extensions to **OTAR** numbers are given at the end of each notice

the BP Codex will be abolished and the current rates will apply.

Duty on second-hand cars is increased, ranging from 55 per cent to 70 per cent. Duty on small cars, not exceeding 1500 cc, and on new lorries, not exceeding 7 tons, is reduced to 30 per cent.

Inquiries: OTAR 01-248 5757 ext. 473.

Mexico

Official prices. Acuerdos of the Secretaria de Comercio published in the *Diario Oficial*, 11 June and 2 July, amended the official prices of some goods in the following tariff headings:

15.10 22.09 27.16 28.11 28.28 28.30 28.36 28.37 28.38 29.03 29.14 29.22 29.23 29.24 29.25 29.30 29.31 29.38 29.39 29.44 31.05 32.03 32.12 35.05 39.07 40.02 40.07 40.11 48.01 48.07 51.01 51.02 69.04 69.07 69.08 70.11 73.13 73.38 73.40 75.02 76.03 76.04 76.06 82.03 83.07 84.06 84.11 84.16 84.18 84.22 84.29 84.30 84.41 84.54 84.59 84.61 85.01 85.04 85.05 85.15 85.19 85.20 85.21 85.23 87.02 90.01 90.07 90.10 90.27 90.28 92.12 97.03 98.11 98.15

Inquiries: OTAR 01-248 5757 ext. 476/474.

Netherlands

Artificial sweeteners in food and drink. A decree dated 6 June (*Staatsblad* 336), published on 3 July, revises the General Decree (Commodity Law) on artificial sweetening agents permitted in foodstuffs and beverages. The decree enters into force with effect from the third calendar month following date of publication in *Staatsblad*.

Copies of this decree (in Dutch) are available and an English translation should be available shortly.

Inquiries: OTAR 01-248 5757 ext. 288/466/467.

Coffee. A decree dated 6 June (*Staatsblad* 337), published on 3 July, amends the Coffee Decree (Commodity Law). The amendment takes into account EEC directive 77/436/EEC (L172/20) on harmonisation of member states' legislation on extracts of coffee and extracts of chicory. Copies of this decree (in Dutch) are available and an English translation should be available shortly.

Inquiries: OTAR 01-248 5757 ext. 288/466/467.

Saudi Arabia

Ban on non-alcoholic beer. The British embassy has reported that a ministerial decree has been passed stating that the importation of non-alcoholic beer has been banned forthwith.

Shipments which are already covered by a letter of credit are to be let in, but then a total ban will operate.

It is not clear which CCCN numbers are affected by this ban and a further notice will be issued when a copy of the decree has been received.

Inquiries: OTAR 01-248 5757 ext. 7062/4200.

Singapore

Pre-packed goods for retail sale. The Weights and Measures (Prescribed Quantities of Pre-packed Goods for Sale by Retail) Order 1979 came into force on 1 July (see *Trade and Industry*, 2 February). Under this order there are five pre-packed goods which can be sold only in approved metric sizes. These are butter, rice, white sugar, wheat flour and cooking salt.

A copy of this order can be obtained from OTAR 01-248 5757 ext. 401/468/469.

Spain

Continuation of temporary import duty reductions. The Spanish *State Gazette*, 24 July, published royal decree 1783 of 1979 which extends for a further three months, until 26 October, the reductions of import duty to be paid on imported goods entering Spain.

Details of the reductions are obtainable from OTAR 01-248 5757 ext. 458/461.

South Africa

Duties. The following amendments were published in the South African *Government Gazette*, 13 July:

R.1523, item 126.10, 126.12, 126.15, 126.17, 126.20, 126.22, 126.25 and 126.26, CCCN 87.02: The effect of this amendment is that the rate of *ad valorem* excise and customs duties on: a Passenger vehicles, driven by spark ignition engines, with a value for duty purposes exceeding R5250 but not exceeding R5600 is reduced from 10 per cent to 5 per cent. B Passenger vehicles, driven by compression ignition engines, with a value for duty purposes exceeding R5250 but not exceeding R5600 is reduced from 20 per cent to 15 per cent. c Motor cars and station wagons and similar dual purpose motor vehicles, driven by spark ignition engines, with a value for duty purposes exceeding R4550 but not exceeding R4850 is reduced from 10 per cent to 5 per cent and d Motor cars and station wagons and similar dual purpose motor vehicles, driven by compression ignition engines, with a value for duty purposes exceeding R4550 but not exceeding R4850 is reduced from 20 per cent to 15 per cent.

Inquiries: OTAR 01-248 5757 ext. 471/472/473/462.

Tariff application. Customs tariff application list 25/79, published in the South African *Government Gazette*, 3 August, contains an application to the Board of Trade and Industries for increase in duty on:

Sodium tripolyphosphate, classifiable under tariff subheading 28.40.60, from 15 per cent *ad valorem* or 50c per kg less 85 per cent *ad valorem* to 15 per cent *ad valorem* or 60c per kg less 85 per cent *ad valorem*.

Those British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE 01-215 5274.

Trinidad and Tobago

New tariff. The Trinidad and Tobago authorities have issued a new tariff effective from 1 January.

Inquiries specifying products to OTAR 01-248 5757 ext. 7312/456/457.

United Arab Emirates

Quarantine legislation. The United Arab Emirates have recently passed new quarantine legislation governing animals, livestock, meat and meat products, plants, insects, bacteria and all kinds of vegetation and vegetable produce.

An English copy of the regulation will be available in a few weeks but until then copies of the text in Arabic only are available from OTAR 01-248 5757 ext. 475/420.

Cold box to Chicago

Off to Chicago goes a 29 m cold box as part of a £700,000 contract for an air separation plant which will produce 400 tons per day of liquid oxygen, nitrogen and argon. Transport included hauling over 100 tons of plant in three separate consignments from Cryoplants' workshops at Edmonton in North London to the Royal Albert Docks. The largest section of the cold box, almost 29 m in length and about 4 metres square, weighed 65 tonnes.

Statistics

The economy: selected indicators[1]

Series are seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
				of which			of which					
			Total	Manufacturing industry	Distributive and service industries excl. shipping	Total	Manufacturing industry	Wholesalers'	Retailers'	Current balance	Visible balance	Invisible balance
	at 1975 prices		at 1975 prices			at 1975 prices				at current prices		
Base of index Series in Stock level at end-1977	1975	£ million	£ million			34,469	19,995	£ million 4,540	3,181	£ million		
1973	103.3	65 586	21 609	3 504	4 674	2 983	1 336	432	624	−967	−2 383	1 416
1974	101.4	64 162	21 173	3 822	4 605	1 459	1 288	361	−180	−3 550	−5 235	1 685
1975	100.0	63 328	20 536	3 522	3 841	−1 623	−1 221	−249	−100	−1 787	−3 236	1 449
1976	102.9	63 479	20 395	3 345	3 926	245	316	131	13	−1 072	−3 601	2 529
1977	104.9	62 897	19 961	3 573	4 325	949	442	266	29	371	−1 744	2 115
1978	108.2	66 431	20 456	3 856	4 677	1 034	597	6	333	443	−1 175	1 618
1976 3rd qtr	103.3	15 910	5 177	849	1 005	160	99	81	46	−421	−1 136	715
4th qtr	104.2	15 989	4 955	856	1 014	1 014	1 264	17	27	−292	−966	674
1977 1st qtr	103.8	15 610	4 821	851	1 030	402	235	82	117	−401	−946	545
2nd qtr	104.5	15 535	5 010	879	1 044	289	97	179	4	−253	−779	526
3rd qtr	104.8	15 849	5 057	910	1 103	−73	−6	−80	−59	513	−3	516
4th qtr	106.5	15 903	5 073	932	1 149	331	116	85	−33	512	−16	528
1978 1st qtr	106.0	16 326	5 152	923	1 162	323	38	81	62	−369	−596	227
2nd qtr	108.4	16 456	5 147	963	1 174	295	272	−62	128	208	−173	381
3rd qtr	109.2	16 831	5 132	982	1 162	304	175	45	54	154	−367	521
4th qtr	109.2	16 818	5 025	988	1 179	112	112	−59	89	450	−39	489
1979 1st qtr	107.4	17 609 pe	4 927	946	1 209	378	83	100	87	−787	−11 81	394
2nd qtr										−231 p	−561	330 p
% change last 2 qtrs on prev. 2 qtrs.	−0.5	+2.9	−3.2	−0.6	+2.2							
on a year earlier	+1.9	+5.6	−2.7	+4.3	+3.3							

	Industrial production		Personal expenditure		Prices and earnings				Labour (UK)			Visible trade (volume)	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices		Wholesale prices: all manufacturing industry		Average gross earnings of all employees (GB, all industries and services covered)	Unemployed excluding school leavers and adult students		Unfilled vacancies for adults	Export	Import
						% increase on a year earlier	basic materials and fuel used	manufactured products: home sales		mid-month count	% of total employees	mid-month count	On a balance of payment basis	
	at 1975 prices		at 1971 prices	monthly averages	(not seasonally adjusted)				(old series)				at 1975 prices	
Base of index £m in base year Series in	1975	1975	1971 16,296	thousands	Jan. 1974		1975	1975	Jan. 1970	thousands		thousands	1975 19,463	1975 22,699
1974	105.1	106.5	109.0	102.8	108.5	16.0	86.8	81.6	179.1	599.7[2]	2.6[2]	301.6[2]	104.2	109.7
1975	100.0	100.0	106.7	97.2	134.8	24.2	100.0	100.0	226.6	929.1	3.9	148.0[2]	100.0	100.0
1976	102.0	101.4	106.5	104.7	157.1	16.5	127.0	117.3	261.8	1 269.3[2]	5.3[2]	119.7[2]	109.7	105.6
1977	105.8	102.8	103.6	107.1	182.0	15.8	145.6	140.5	288.5	1 378.0	5.7	155.8[2]	118.9	107.2
1978	109.7	103.6	109.2	130.1	197.1	8.3	144.6	153.3	330.2	1 376.5	5.7	210.4	122.9	112.6
1977 1st qtr	105.6	103.9	103.3	102	174.1	16.5	144.8	133.0	280.2	1 333.3	5.5	..	115.9	108.8
2nd qtr	105.5	102.4	102.4	104	181.9	17.4	148.8	139.6	284.4	1 353.4	5.6	154.3	117.7	110.6
3rd qtr	106.3	103.0	104.2	110	184.7	16.5	146.5	143.8	289.1	1 403.1	5.8	153.7	124.6	107.3
4th qtr	105.9	101.8	104.7	113	187.4	13.1	142.2	145.8	300.3	1 422.2	5.9	163.6	117.3	102.3
1978 1st qtr	106.9	102.2	106.4	128	190.6	9.5	140.2	149.2	310.9	1 415.7	5.9	185.9	119.6	113.5
2nd qtr	110.7	104.5	107.9	133	195.8	7.7	146.3	151.8	327.8	1 388.6	5.7	206.3	122.2	109.7
3rd qtr	111.5	105.1	110.7	133	199.2	7.8	144.9	154.8	335.7	1 367.9	5.7	215.2	124.8	114.9
4th qtr	109.9	102.6	111.7	127	202.6	8.1	147.1	157.3	346.4	1 333.7	5.5	234.2	124.8	112.3
1979 1st qtr	109.1	101.4	110.3	131	208.9	9.6	152.2	161.6	356.5	1 356.7	5.6	232.6	110.3	113.3
2nd qtr			116.7	179	216.6	10.6	161.3 p	168.0 p		1 304.2	5.4	255.0	134.2	129.0
1978 May	110.0	103.5	108.2	127	195.7	7.7	146.8	151.9	326.2	1 384.8	5.7	205.6	120.5	113.3
Jun	111.1	104.9	108.6	142	197.2	7.4	147.0	152.7	333.0	1 378.1	5.7	213.4	121.9	111.1
Jul	111.6	105.1	111.0	111	198.1	7.8	145.8	153.8	333.2	1 370.2	5.7	211.1	125.7	114.3
Aug	112.1	105.9	111.7	142	199.4	8.0	144.2	154.8	334.7	1 373.4	5.7	211.8	124.5	111.3
Sep	110.8	104.4	109.6	144	200.2	7.8	144.8	155.7	339.2	1 360.2	5.6	222.8	124.3	119.1
Oct	108.7	101.8	110.2	133	201.1	7.8	145.7	156.6	344.5	1 349.9	5.6	231.8	125.9	110.8
Nov	109.7	102.5	110.5	126	202.5	8.1	147.3	157.1	344.5	1 331.7	5.5	234.9	122.5	113.7
Dec	111.1	103.3	113.8	121	204.2	8.4	148.3	158.3	350.1	1 319.6	5.5	235.9	126.0	112.5
1979 Jan	103.6	93.4	109.6	121	207.2	9.3	150.8	160.0	344.7	1 342.1	5.6	235.7	113.0	107.1
Feb	111.4	104.2	110.4	117	208.9	9.6	152.2	161.7	355.6	1 366.5	5.7	228.9	100.7	117.0
Mar	112.3	106.5	110.8	156	210.6	9.8	153.5	163.2	369.3	1 361.5	5.6	233.1	117.3	115.7
Apr	113.2	105.3	115.4	158	214.2	10.1	158.4	165.5	368.1	1 327.4	5.5	245.3	128.4	127.2
May	113.9 p	104.6 p	113.5	172	215.9	10.3	161.0	167.7	372.4 p	1 306.4	5.4	257.3	133.6	127.8
Jun			120.3	208	219.6	11.4	164.5 p	170.8 p		1 278.7	5.3	262.4	140.7	132.0
Jul							164.7 p	174.5 p		1 278.7 p	5.3 p	253.0 p		
% change latest 3 months on prev. 3 months	+4.0	+5.2	+5.8	+36.5	+3.7		+5.6	+4.6	+5.7	−4.7		+9.2	+21½	+14
on a year earlier	+3.5	+1.7	+8.2	+34.8	+10.6		+11.5	+11.9	+15.0	−6.5		+22.6	+10	+17½

p Provisional. pe Preliminary estimate. [1] Including figures published on or before 10 August 1979. [2] Average of available months.

Inquiries: 01-215 3453

Retail sales in June

Volume

The final seasonally adjusted index of the volume of retail sales in June is 120.3, a little lower than the provisional estimate of 121 announced on 16 July.

Retail sales in June rose by 6 per cent from their May level, influenced by the Budget on 12 June, which raised VAT with effect from 18 June. Sales by non-food shops increased much more strongly than sales by food shops and the increase of 15 per cent between the months for durable goods shops was particularly marked.

With the high level of sales in June the average volume of retail sales in the first half of 1979 was about 1½ per cent higher than the average level in the fourth quarter of last year.

On the same basis of comparison, sales by durable goods shops rose by 6 per cent. Sales by clothing and footwear shops fell by 1 per cent while sales by 'other non-food shops', which include department stores and mail order businesses, rose by 1 per cent. Sales by food shops increased by 2 per cent between these periods.

Value

Based on non-seasonally adjusted data, the value of total retail sales in June was 20 per cent higher than in June 1978. In the first half of 1979, the average value of sales was 15 per cent higher than in the corresponding period of 1978.

Notes

The indices for all shops, food shops, and total non-food shops are shown to the first decimal place to help interpretation, but should not be regarded as necessarily accurate to the final digit. The best indication of the recent trend is normally obtained by comparing the average index for the latest three months with the average for the immediately preceding three months, but month-to-month fluctuations may sometimes make it preferable to average two months or four months.

When using the volume figures, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the value series to constant prices become more acute. Thus, the relative accuracy with which volume changes have been measured is likely to have been reduced in recent periods.

The monthly periods consist of four weeks except those marked ' which are of five weeks. The June 1979 sales period was the five weeks from 27 May 1979 to 30 June 1979. The corresponding period in 1978 was the five weeks from 28 May 1978 to 1 July 1978.

The value estimates are compiled inclusive of VAT, and will, therefore, reflect changes in the rates of VAT. The volume estimates, however, are not affected by these changes since the retail price indices used to 'deflate' the value data are themselves inclusive of VAT. The June 1979 figures have been deflated using prices incorporating pre-budget rates of VAT. The 15 per cent rate came into force on 18 June.

Within the total, sales are analysed by 'kinds of business'; ie the statistics are of sales by particular kinds of shop rather than of sales of particular commodities. For example, while sales by shops classified as food shops are mainly of food, many of them also sell other goods. Similarly, some food is sold by shops classified to other kinds of business.

The seasonally adjusted series include, where appropriate, adjustments for the timing of holidays and adjustments to make allowance for the inclusion of an extra week in the January 1975 trading period. No adjustments are made to the non-seasonally adjusted data.

The article giving the provisional estimate of the seasonally adjusted index of the volume of retail sales for July and the increase in value of sales compared with a year earlier is due to be published later this month.

Inquiries: Department of Trade, Economics and Statistics Division 6C, Room 351, Sanctuary Buildings, 20 Great Smith Street, London SW1P 3DB, tel. 01-215 3705.

Table 1 **Volume of retail sales seasonally adjusted**

Index numbers of sales per week (average 1971 prices) 1971 = 100

(Sales in 1971 – £ million Final estimates)	All kinds of business (16 296)	Food shops (6 866)	Non-food shops Total (9 430)	Clothing and footwear shops (2 436)	Durable goods shops (1 897)	Other non-food shops [2] (5 097)
1971	100.0	100.0	100.0	100	100	100
1972	105.3	101.6	107.9	104	113	108
1973	110.3	101.6	116.6	108	127	117
1974	109.0	102.4	113.8	106	122	115
1975	106.7	100.0	111.5	106	119	111
1976	106.5	98.7	112.1	106	122	111
1977	103.6	94.8	110.0	105	119	109
1978	109.2	98.0	117.4	114	130	114
1977						
1st qtr	103.3	94.9	109.4	105	115	109
2nd	102.4	94.4	108.1	101	118	108
3rd	104.2	94.3	111.3	107	121	110
4th	104.7	95.6	111.3	109	122	109
1978						
1st qtr	106.4	96.6	113.6	111	124	111
2nd	107.9	97.8	115.3	111	129	113
3rd	110.7	98.1	119.9	117	134	116
4th	111.7	99.4	120.6	119	134	116
1979						
1st qtr	110.3	99.9	117.8	116	131	114
2nd	116.7	102.4	127.1	121	153	121
1978						
June [1]	108.6	98.3	116.0	111	130	113
July	111.0	98.2	120.4	116	137	116
August	111.7	97.8	121.8	121	133	118
September [1]	109.6	98.2	118.0	115	133	114
October	110.2	98.3	118.8	115	132	116
November	110.5	98.6	119.2	115	132	116
December [1]	113.8	100.9	123.2	126	137	117
1979						
January	109.6	103.6	113.9	109	127	111
February	110.4	97.0	120.2	117	137	116
March [1]	110.8	99.3	119.1	120	129	115
April	115.4	101.6	125.4	124	144	119
May	113.5	101.5	122.3	116	144	117
June [1]	120.3	103.7	132.3	122	166	125
1979						
January-March	110.3	99.9	117.8	116	131	114
1979						
April-June	116.7	102.4	127.1	121	153	121
Percentage increase	5.8	2.5	7.9	5	17	6

[1] Five-week period.
[2] Including department stores and mail-order businesses.

Table 2 **Value of retail sales seasonally adjusted**

Index numbers of value of sales per week (current prices) 1971 = 100

(Sales in 1971 – £ million Final estimates)	All kinds of business (16 296)	Food shops (6 866)	Non-food shops Total (9 430)	Clothing and footwear shops (2 436)	Durable goods shops (1 897)	Other non-food shops [2] (5 097)
1971	100.0	100.0	100.0	100	100	100
1972	112.0	109.0	114.2	112	118	114
1973	126.9	123.0	129.8	128	136	128
1974	146.7	144.9	148.1	148	144	149
1975	174.4	175.0	174.0	171	168	178
1976	200.1	204.8	196.7	189	187	204
1977	228.0	234.7	223.1	216	206	233
1978	260.1	261.8	258.8	255	244	266
1977						
1st qtr	216.7	224.2	211.2	205	192	221
2nd	222.0	230.4	215.9	204	201	227
3rd	233.7	238.8	230.0	223	213	240
4th	239.6	245.5	235.2	231	220	243
1978						
1st qtr	246.4	249.8	243.8	239	228	252
2nd	254.4	258.4	251.4	244	241	259
3rd	266.6	266.0	267.1	264	253	274
4th	273.0	273.1	273.0	272	255	280
1979						
1st qtr	276.4	282.8	271.8	269	253	280
2nd	297.3	294.4	299.5	290	302	303
1978						
June [1]	257.4	261.9	254.1	246	244	262
July	265.0	264.5	265.3	260	255	272
August	269.2	265.7	271.9	273	252	279
September [1]	265.9	267.4 r	264.8	260	252	272
October	267.9	268.1	267.8	262	250	277
November	269.7	270.8	268.9	262	251	279
December [1]	279.8	278.9	280.4	289	262	283
1979						
January	273.1	291.3	259.9	254	241	270
February	275.4	274.6	275.9	271	262	283
March [1]	279.8	282.5	277.9	280	256	285
April	290.6	287.7	292.6	292	280	298
May	289.2	291.5	287.6	277	285	294
June [1]	309.3	302.0	314.6	298	333	315
1979						
January-March	276.4	282.8	271.8	269	253	280
1979						
April-June	297.3	294.4	299.5	290	302	303
Percentage increase	7.6	4.1	10.2	8	19	8

[1] Five-week period.
[2] Including department stores and mail-order businesses.

Hire purchase and other instalment credit business in June

Finance houses, other specialist consumer credit grantors and retailers advanced £681 million of new credit in June, of which £431 million was lending by grantors other than retailers (table 1). The June figures represent increases of £42 million on the May figure for lenders other than retailers and £17 million on the May figure for retailers' lending. They were influenced by the Budget on June 12 which raised VAT with effect from June 18. These figures allow for seasonal factors, as do all figures in this article unless otherwise stated.

Total advances in the second quarter of 1979 were 18 per cent higher than in the first quarter. Lending by finance houses and other specialist consumer credit grantors increased by 25 per cent between the two quarters. Lending by retailers increased by 9 per cent.

Finance houses and other specialist consumer credit grantors advanced £431 million of new fixed – sum credit in June. Within this total, £249 million was advanced under regulated consumer credit agreements and £182 million under other credit agreements (table 2). Lending to individuals under regulated agreements increased by 26 per cent during the second quarter of 1979. Lending under other credit agreements (mainly lending to companies) increased by 23 per cent.

The average weekly value of credit sales by retailers in June was higher than in previous months (table 3). In the second quarter of 1979 average credit sales were 12 per cent higher than in the first quarter. Within this total, sales by durable goods shops increased by 20 per cent, sales by department stores increased by 7 per cent, and sales by other credit retailers (mainly mail-order business) increased by 10 per cent.

The debt outstanding to finance houses, other specialist consumer credit grantors and retailers increased by £198 million in June, bringing the total increase in the second quarter of 1979 to £403 million, compared to £217 million in the first quarter (table 1). Amounts outstanding to finance houses and other specialist consumer credit grantors increased by £317 million in the second quarter and those to retailers by £86 million.

At the end of June, the total amount outstanding to finance houses, other specialist consumer credit grantors and retailers was £6,830 million (*not* seasonally adjusted), 24 per cent more than a year earlier (table 1). Within this total, £5,116 million was outstanding to finance houses and other specialist consumer credit grantors on fixed-sum credit agreements and £244 million on running-account agreements (table 2). £1,470 million was outstanding to retailers.

Note

Exceptionally the figures for finance houses and other specialist consumer credit grantors have been revised since the last article. These revisions take account of improvements to the seasonal adjustments in order to reflect recent experience, the availability of improved information on charges for credit and the inclusion of delayed returns from contributors.

Inquiries: Departments of Trade, (Room 349), Sanctuary Buildings, 20 Great Smith Street, London SW1 3DB, tel. 01-215 3162.

Table 1 **Hire purchase and other credit business, seasonally adjusted** [1] £ million

	Total		Finance houses and other consumer credit grantors [2]		Retailers [3]	
	New credit extended	Change in debt	New fixed sum credit extended	Change in fixed sum debt	New credit extended	Change in debt
1976	3 688		1 835		1 853	141
1977	4 684		2 592		2 092	125
1978	6 021	1 206	3 586	1 015	2 435	191
1977						
2nd qtr	1 100	203	594	184	506	19
3rd	1 219	262	673	223	546	39
4th	1 292	254	750	242	542	12
1978						
1st qtr	1 372	355	807	289	565	66
2nd	1 506	375	901	315	605	60
3rd	1 559	266	912	206	647	60
4th	1 584	210	966	205	618	5
1979						
1st qtr	1 583	217	931	130	652	87
2nd	1 869	403	1 160	317	709	86
1978						
October	515	68	313	57	202	11
November	568	103	351	93	217	10
December	501	39	302	55	199	−16
1979						
January	525	67	300	21	225	46
February	532	91	312	62	220	29
March	526	59	319	47	207	12
April	566	74	340	65	226	9
May	622	131	389	96	233	35
June	681	198	431	156	250	42
1979						
Jan-Mar	1 583	217	931	130	652	87
Apr-June	1 869	403	1 160	317	709	86
Percentage increase	*18*		*25*		*9*	

[1] Excluding charges. [2] Direct business only: ie excluding agreements block discounted with finance houses by retailers. [3] Durable goods shops, department stores and 'other credit retailers'. For further definitions see footnotes to table 2.

Table 3 **Retailers' credit sales, seasonally adjusted**

Index numbers of value of sales per week (current prices) 1971 = 100

(HP and other credit sales in 1971 £ million [3])	Total [1] (1130)	Durable goods shops (370)	Department stores (139)	Other credit retailers [2] (621)
1976	190	136	162	229
1977	217	142	171	272
1978	257	169	204	320
1977				
2nd qtr	210	136	153	266
3rd	227	148	179	284
4th	227	148	184	283
1978				
1st qtr	237	167	183	291
2nd	254	171	199	315
3rd	272	174	219	342
4th	264	166	214	334
1979				
1st qtr	275	177	219	346
2nd	308	213	234	381
1978				
October	258	162	205	327
November	274	166	227	349
December [4]	260	168	211	326
1979				
January	281	181	229	352
February	277	168	226	353
March [4]	268	179	205	335
April	291	202	195	364
May	298	194	212	380
June [4]	330	236	282	396
1979				
Jan-Mar av.	275	177	219	346
Apr-June av.	308	213	234	381
Percentage increase	*12*	*20*	*7*	*10*

[1] Durable good shops, department stores (including co-operative societies) and 'other credit retailers'. [2] General stores (other than department stores) and general mail-order houses. [3] Excluding sales against checks issued by other organisations. [4] The monthly periods for retailers consists of four weeks except those marked [4] which are of five weeks. The period covered by June 1979 sales was the five weeks from 27 May to 30 June 1979. The corresponding period in 1978 was from 28 May 1978 to 1 July 1978.

Table 2 **Finance houses and other consumer credit grantors' business** [1] £ million

	Seasonally adjusted				Unadjusted	
	Regulated fixed sum credit agreements [2]		Other fixed sum credit agreements [3]		Total debt outstanding at end of period	
	New credit extended [4]	Change in debt	New credit extended [4]	Change in debt	Fixed-sum agreements [4]	Running-account agreements [4]
1976					2 601	163
1977					3 391	183
1978	2 160	828	1 426	187	4 501	222
1977						
2nd qtr	371	149	223	35	2 957	170
3rd	408	161	265	62	3 223	176
4th	451	182	299	60	3 391	183
1978						
1st qtr	502	237	305	52	3 654	191
2nd	558	265	343	50	4 062	198
3rd	545	178	367	28	4 335	195
4th	555	148	411	57	4 501	222
1979						
1st qtr	550	115	381	15	4 645	227
2nd	692	229	468	88	5 116	244
1978						
October	183	46	130	11	4 402	204
November	196	55	155	38	4 487	207
December	176	47	126	8	4 501	222
1979						
January	171	17	129	4	4 506	227
February	183	43	129	19	4 578	227
March	196	55	123	−8	4 645	227
April	208	56	132	9	4 768	225
May	235	77	154	19	4 922	236
June	249	96	182	60	5 116	244
1979						
Jan-Mar	550	115	381	15	4 645	227
Apr-June	692	229	468	88	5 116	244
Percentage increase	*26*		*23*			

[1] Including check traders. [2] All consumer credit agreements regulated under the Consumer Credit Act 1974. These comprise non-exempt agreements involving the provision of credit not exceeding £5,000 to individuals. [3] Including all credit agreements entered into with companies by businesses which also enter into credit agreements with individuals. All agreements entered into before 1 April 1977 are included as well as those for more than £5,000 with individuals which have been entered into since 1 April 1977. [4] Including all types of credit agreement where the total amount of credit advanced is known at the outset of the arrangement. It includes credit advanced in a hire purchase, conditional sale or credit sale agreement as well as trading checks, vouchers and cash loans of a fixed amount. [5] Including credit advanced on a revolving basis, overdrafts, non-bank credit cards. Figures for periods between end 1976 and July 1978 are estimated.

Acquisitions and mergers of industrial and commercial companies: second quarter

Expenditure on acquisitions of industrial and commercial companies rose slightly in the second quarter of 1979, though the number of companies acquired was little changed. The financial press reported 136 companies acquired for a total expenditure of £260 million in the quarter compared with 134 companies acquired for £240 million in the previous quarter.

Table 1 shows that, as in the first quarter, there were no mergers in the second quarter of 1979 and that a substantial rise in expenditure on independent companies was partly offset by a steep fall in expenditure on purchases of subsidiaries. The chart, despite some fluctuations, shows a continuing slight upward trend but the level remains well below the historically high levels of 1972 and 1973.

There were five acquisitions for amounts over £10 million during the second quarter of 1979. In the largest, Lonrho acquired Scottish and Universal Investments for £47.3 million. In the other four, Norcross acquired H. and R. Johnson-Richards Tiles for £34.5 million, BAT Industries acquired Argos Distributors for £31.5 million (this being the minimum payment, with additional amounts depending on profitability over the next two years), Associated Communications Corporation acquired Intereuropean Property Holdings for £12.5 million and Comet Radiovision Services acquired Caledonian Holdings for £12.4 million.

Table 2 shows that the 19 largest acquisitions (14 per cent of the total number), which were each acquired for amounts over £2 million, accounted for 71 per cent of the total expenditure during the quarter, while the remaining 117 (86 per cent of the total number), each acquired for £2 million or less, accounted for only 29 per cent of the total expenditure. The average cost of acquisitions during the quarter was £1.9 million, slightly lower than for 1978 as a whole but slightly higher than the average for the previous quarter.

Table 3 shows that the percentage of total

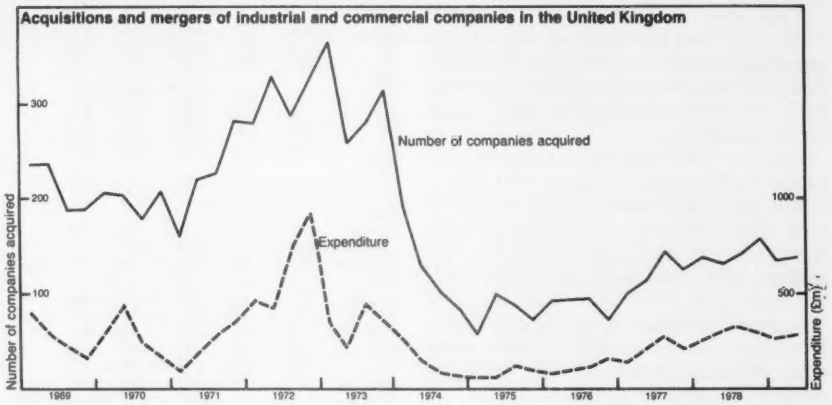


Table 1 Acquisitions and mergers within the United Kingdom

	Total all acquisitions and mergers [1]			Acquisitions of independent companies and mergers: Total			Acquisitions of independent companies			Mergers [2]			Sales of subsidiaries between company groups		
	Number acquiring	Number acquired	Value £m	Number acquiring	Number acquired	Value £m	Number acquiring	Number acquired	Value £m	Number acquiring	Number acquired	Value £m	Number acquiring	Number acquired	Value £m
1969	686	846	1 068.9	595	744	969.2	593	742	961.6	2	2	7.6	91	102	99.7
1970	629	793	1 122.5	490	614	996.6	484	608	954.1	6	6	42.5	139	179	125.9
1971	687	884	911.1	498	620	745.6	498	620	745.6	—	—	—	189	264	165.5
1972	928	1 210	2 531.6	716	938	2 346.2	710	931	2 336.9	6	7	9.3	212	272	185.4
1973	929	1 205	1 304.3	724	951	1 057.5	722	949	1 055.2	2	2	2.3	205	254	246.8
1974	427	504	508.4	307	367	459.1	306	366	451.6	1	1	7.5	120	137	49.3
1975	276	315	290.8	180	200	221.0	177	197	215.1	3	3	5.9	96	115	69.8
1976	315	353	448.1	218	242	348.4	217	241	348.0	1	1	0.4	97	111	99.7
1977	427	481	823.8	333	372	730.3	331	370	700.7	2	2	29.6	94	109	93.5
1978	484	567	1 139.5	387	441	976.6	384	438	926.3	3	3	50.3	107	126	162.9
1976															
1st qtr	82	93	71.3	62	71	65.3	61	70	64.9	1	1	0.4	20	22	6.0
2nd	81	93	93.3	49	55	44.3	49	55	44.3	—	—	—	32	38	49.0
3rd	86	95	117.4	55	60	85.6	55	60	85.6	—	—	—	31	35	31.8
4th	66	72	166.1	52	56	153.2	52	56	153.2	—	—	—	14	16	12.9
1977															
1st qtr	93	101	131.7	78	86	122.7	78	86	122.7	—	—	—	15	15	9.0
2nd	100	112	209.4	76	84	173.3	76	84	173.3	—	—	—	24	28	36.1
3rd	124	144	277.6	95	109	245.6	93	107	216.0	2	2	29.6	29	35	32.0
4th	110	124	205.1	84	93	188.7	84	93	188.7	—	—	—	26	31	16.4
1978															
1st qtr	113	137	241.4	92	106	205.5	92	106	205.5	—	—	—	24	31	35.9
2nd	115	131	297.5	86	98	255.2	86	98	255.2	—	—	—	30	33	42.3
3rd	119	141	315.7	99	114	299.1	97	112	290.4	2	2	8.7	22	27	16.6
4th	137	158	284.9	110	123	216.8	109	122	175.2	1	1	41.6	31	35	68.1
1979															
1st qtr	112	134	239.7	80	95	180.8	80	95	180.8	—	—	—	34	39	58.9
2nd	105	136	259.9	85	106	234.7	85	106	234.7	—	—	—	24	30	25.2

[1] The number of acquiring companies may be less than the sum of the components because some companies acquire both independent and subsidiary companies. [2] A merger (which takes place when two companies combine to form a new company) is reckoned as the acquisition of the smaller company by the larger and is valued at the market value of the smaller company's share of the newly formed company.

Table 2 Size distribution of acquisitions within the United Kingdom

	1978		1978 2nd quarter		1978 3rd quarter		1978 4th quarter		1979 1st quarter		1979 2nd quarter	
Expenditure £ million	Number acquired	Value £ million	Number acquired	Value £ million	Number acquired	Value £ million	Number acquired	Value £ million	Number acquired	Value £ million	Number acquired	Value £ million
Over 10	22	570.0	5	172.9	6	165.5	5	119.5	5	104.8	5	138.2
Over 5 and up to 10	20	139.2	5	35.2	6	42.2	3	20.0	6	39.6	3	16.5
Over 2 and up to 5	56	178.6	10	30.9	14	42.0	21	71.6	11	33.5	11	30.0
2 or less	469	251.7	111	58.5	115	66.0	129	73.8	112	61.8	117	75.2
Total	567	1 139.5	131	297.5	141	315.7	158	284.9	134	239.7	136	259.9

expenditure in the form of cash fell in the second quarter of 1979, following rises in the three preceding quarters, but it again accounted for a much larger proportion of total expenditure than the other forms of payment. The percentage of expenditure accounted for by issues of ordinary shares rose in this quarter, following falls in the three preceding quarters. The percentage of expenditure in the form of fixed interest securities remained very low.

Tables 1, 2 and 3 are taken from a more detailed analysis published in Business Monitor MQ 7 'Acquisitions and mergers of industrial and commercial companies' (obtainable from HMSO each quarter for an annual subscription of £1.95). The Business Monitor also includes tables analysing acquisitions and mergers by industry.

Inquiries: Economics and Statistics Division 6a, Departments of Industry and Trade, Room 166, 1 Victoria Street, London SW1H 0ET, tel. 01-215 5538.

Notes

This analysis relates only to industrial and commercial companies in the United Kingdom and is based on reports in the financial press supplemented by special inquiries to companies to determine the form, value and timing of particular acquisitions. The Bank of England compiles an analysis of acquisitions and mergers relating to financial companies (banks, insurance companies, etc) which is published in *Financial Statistics*.

No method of valuing acquisitions is altogether free from objection. The values shown here relate in general to expenditure during the current period, excluding any previous investments in the company acquired. Where possible, the values are market values, ie the cash paid or the market price at date of issue of shares or loan stock issued. Where market values are not available (as in the case of unlisted securities) or the cash payment is not disclosed, acquisitions are in general valued at the net book value of the acquired company.

Where the acquired company was a subsidiary of another United Kingdom company, the transaction is classified as a sale between company groups. Acquisitions between subsidiaries of the same company group, in the course of internal reorganisation, have been ignored.

As far as possible, acquisitions are recorded at the date when the transaction is finalised (eg when a bid is declared unconditional). This date usually comes before the date on which the shares in the acquired company are surrendered, although it may be considerably later than the date when the bid is first announced in the press. Revisions to the data may occur from time to time if there are acquisitions and mergers which come to light after the publication of the article.

Table 3 **Categories of expenditure on acquisitions and mergers within the United Kingdom**

	Expenditure (£ million)				Percentage of expenditure		
	Total	Cash	Issues of ordinary shares	Issues of fixed interest securities	Cash	Issues of ordinary shares	Issues of fixed interest securities
1969	1 069	296	552	221	27.7	51.6	20.7
1970	1 122	251	596	275	22.4	53.1	24.5
1971	911	285	437	189	31.3	48.0	20.7
1972	2 532	493	1 459	580	19.5	57.6	22.9
1973	1 304	691	466	147	53.0	35.7	11.3
1974	508	347	114	47	68.3	22.4	9.3
1975	291	173	93	25	59.4	32.0	8.6
1976	448	321	120	7	71.7	26.8	1.5
1977	824	512	304	8	62.1	36.9	1.0
1978	1 140	654	463	23	57.4	40.6	2.0
1976							
1st qtr	71.3	37.9	32.6	0.8	53.2	45.7	1.1
2nd	93.3	83.1	9.5	0.7	89.1	10.2	0.7
3rd	117.4	88.4	28.5	0.5	75.3	24.3	0.4
4th	166.1	111.4	49.8	4.9	67.1	30.0	2.9
1977							
1st qtr	131.7	91.4	40.2	0.1	69.4	30.5	0.1
2nd	209.4	117.5	87.8	4.1	56.1	41.9	2.0
3rd	277.6	153.4	121.0	3.2	55.2	43.6	1.2
4th	205.1	148.8	55.4	0.9	72.6	27.0	0.4
1978							
1st qtr	241.4	148.4	86.3	6.7	61.5	35.7	2.8
2nd	297.5	130.1	166.9	0.5	43.7	56.1	0.2
3rd	315.7	174.2	130.1	11.4	55.2	41.2	3.6
4th	284.9	201.2	79.3	4.4	70.6	27.8	1.6
1979							
1st qtr	239.7	195.6	42.9	1.2	81.6	17.9	0.5
2nd	259.9	189.5	67.6	2.8	72.9	26.0	1.1

Wholesale price indices in July

Output prices

The price index for the home sales of manufactured products increased by 2¼ per cent between June and July to 174.5 (1975 = 100). The change in this index measured over a 12-month period rose from 11¾ per cent in June to 13½ per cent in July. The six-monthly change rose in July, for the eighth consecutive month, to 9 per cent.

The index for manufactured products other than food, drink and tobacco rose by 2½ per cent between June and July to 174.5. Further higher prices for petroleum products accounted for just over one half of the increase. The index rose 6 per cent over the latest three months.

The index for the food manufacturing industries increased by 1 per cent between June and July to 180.4. Higher prices for bacon curing, meat and fish products and milk and milk products made the most significant contributions to the increase. This index increased by 4¾ per cent over the latest three months.

Input prices

The price index for materials and fuel purchased by manufacturing industry remained virtually unchanged between June and July at 164.7 (1975 = 100). This lack of change is, however, from a revised June figure which is 1½ per cent higher than the provisional index published last month (see note 2). The change in this index measured over a 12-month period rose from 12 per cent in June (on revised figures) to 13 per cent in July. Over the last six months this index has increased by 9¼ per cent.

The 1¾ per cent increase to 169.4 in the index for coal, gas and electricity was due to higher prices for coal.

The index for materials purchased by manufacturing industry other than the food, drink and tobacco industries, at 161.6, also remained virtually unchanged between June and July. (Here again the June index has been revised from a provisional figure of 157.2 to 161.4 – a 2¾ per cent increase). Further higher prices for crude oil again made the most significant contribution, although these were cushioned to a large extent by the large appreciation of sterling against the dollar. Prices for materials other than crude oil, which also benefited from sterling's appreciation, fell by 1¾ per cent; there were lower prices for many imported commodities, particularly copper, lead, woodpulp and hides and skins. On the other hand there were higher prices for coal for carbonising.

The index for materials purchased by the food manufacturing industries rose ¼ per cent between June and July to 171.2. There were higher prices for sugar and lower prices for home-produced cereals.

The index for materials purchased by all manufacturing industries at 163.9 remained steady between June and July. The apparent discrepancy in movement between this overall index and the two component indices discussed above is explained by a large decrease in the price of home-produced barley purchased by the drink manufacturing industry, which is included in the overall index but in neither of the two components.

Inquiries: 01-215 3351.

Notes

1 Since all the index numbers are compiled exclusive of value added tax, changes in VAT are not reflected in the above indices.

2 All indices for the latest two months are provisional and subject to revision. Larger revisions can be expected among the input indices. The first estimates for June for the input indices have been revised to take account of some of the Opec price increases agreed at the end of June being backdated to 1 June.

1975 = 100

	May	Jun p	Jul p
Output prices (home sales)			
All manufactured products	167.7	170.8	174.5
Products of manufacturing industry other than food, drink and tobacco industries	167.1	170.1	174.5
Products of the food manufacturing industries	174.2	178.6	180.4
Prices of materials and fuel purchased			
By manufacturing industry	161.0	164.5	164.7
materials	160.3	164.1	163.9
coal, gas and electricity	164.9	166.3	169.4
By manufacturing industry other than food, drink and tobacco industries	158.3	162.3	163.0
materials	157.0	161.4	161.6
By food manufacturing industries	167.6	170.9	171.8
materials	167.5	170.6	171.2

p = provisional.

ECGD

The Export Credits Guarantee Department's head office is at Aldermanbury House, Aldermanbury, London EC2P 2EL, tel. 01-606 6699.

Index of industrial production for Wales: first quarter

The index of industrial production for Wales, in the first quarter of 1979, is provisionally estimated at 108.2 (1975 = 100). There was little change over the previous quarter but the figure is 6 per cent higher than in the first quarter of 1978. Comparable figures for the United Kingdom as a whole showed changes of −1 per cent and +2 per cent respectively.

The all-manufacturing industries' index showed a 3 per cent decrease over the previous quarter. The major contributors to this fall were a 14 per cent decline in output from the chemical and allied industries and 11 per cent falls in each of building materials and paper, printing and publishing. Improvements were registered by timber, furniture, etc (5 per cent), metal manufacturing (2 per cent), vehicles (2 per cent) and other manufacturing industries (5 per cent). Outside the manufacturing sector, significant gains were registered by construction (6 per cent), and the utilities (11 per cent).

Over the period since the first quarter of 1978 a slightly different pattern emerges. Overall, manufacturing industries recorded an increase in output of 2 per cent; substantial rises were registered by mining and quarrying, construction and utilities, and within manufacturing by metal manufacturing, coal and petroleum products, timber, paper and electrical engineering, but output fell in the other engineering and textiles sectors.

A Welsh Office occasional paper which describes the compilation of the index is now available from: Mr G. Johnes, Economic Services Division (ES2B), Welsh Office, 31 Cathedral Road, Cardiff CF1 9UT, tel. Cardiff 42661 ext. 39.

Table 1 Index of industrial production for Wales [1]

Seasonally adjusted 1975 = 100

1968 SIC	1975 weights per thousand	Annual indices		Quarterly indices 1978				1979	Percentage change over previous	
		1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr [2]	Qtr	Year
Total: all industries	1 000	103.6	105.3	101.7	107.7	104.0	108.0	108.2	—	6
Mining and quarrying	102	86	86	80	83	88	92	93	—	16
Total: all manufacturing industries	620	106.4	108.4	105.3	111.4	106.1	111.0	107.6	−3	2
Food, drink and tobacco	38	109	122	124	120	121	123	118	−4	−5
Coal and petroleum products	27	89	95	90	93	97	99	98	−1	9
Chemicals and allied industries	59	132	135	130	133	132	145	125	−14	−3
Metal manufacture: total	161	106	105	100	114	95	110	113	2	12
Ferrous	129	107	107	103	118	95	113	116	2	13
Non-ferrous	32	101	95	91	97	95	97	99	3	9
Engineering and allied industries: total	190	104	106	104	109	106	104	101	−3	−2
Mechanical and instrument engineering	56	114	113	114	115	112	113	110	−3	−3
Electrical engineering	54	91	98	89	96	102	103	95	−8	7
Vehicles (including aircraft and ships)	44	117	115	118	121	115	107	109	2	−7
Metal goods not elsewhere specified	37	92	94	93	103	91	91	87	−4	−6
Textiles, leather and clothing	45	90	94	94	93	95	93	88	−6	−6
Bricks, pottery, glass, cement, etc	21	109	116	109	115	120	121	108	−11	−1
Timber, furniture etc	17	91	95	93	99	96	91	96	5	3
Paper, printing and publishing	26	102	109	99	111	111	115	103	−11	4
Other manufacturing industries	35	120	112	111	111	112	112	118	5	6
Construction	182	96	98	92	100	98	102	109	6	18
Gas, electricity and water	96	118	120	120	125	118	116	128	11	6

[1] Revisions to the series (going back to the start of the previous year) are normally made each quarter to take account both of more recent information and improved seasonal adjustment factors. [2] Provisional.
Source: Welsh Office.

Table 1a United Kingdom – key components

Total: all industries	1 000	105.8	109.8	107.0	110.7	111.5	110.0	108.9	−1	2
Mining and quarrying	41	188	232	210	229	236	255	274	8	31
Total: all manufacturing industries	697	102.8	103.6	102.3	104.5	105.2	102.6	101.4	−1	−1
Construction	182	98	106	102	107	107	106	96	−9	−5
Gas, electricity and water	80	107	110	108	112	113	109	118	8	9

Source: Central Statistical Office

Table 2 Index of industrial production for Wales: market sector analysis [1]

Seasonally adjusted 1975 = 100

Market sector	1975 [2] weights per thousand	Annual indices		Quarterly indices 1978				1979	Percentage change over previous	
		1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr [3]	Qtr	Year
Consumer goods sector	145	103.5	109.8	107.4	109.2	110.7	111.7	108.8	−3	1
Intermediate goods sector	570	105.6	105.7	102.6	108.8	103.7	107.5	108.1	1	5
Investment goods sector	103	106.6	110.3	109.2	110.3	108.6	113.2	111.5	−2	2

[1] See footnote [1] of table 1. [2] The construction industry (weight 182) is excluded from this analysis. [3] Provisional. *Source:* Welsh Office.

Table 2a United Kingdom index

Consumer goods sector	243	104.6	106.8	105.3	108.1	108.3	105.5	104.0	−1	−1
Intermediate goods sector	349	115.5	121.4	116.4	122.4	123.3	123.5	125.6	2	−1
Investment goods sector	218	97.9	98.2	98.8	97.8	99.5	96.6	98.2	2	8

Source: Central Statistical Office

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PQ 479 Miscellaneous wood and cork manufactures for first quarter 1979

PQ 485 Newspapers and periodicals for first quarter 1979

PQ 494.1 Toys, games and children's carriages for first quarter 1979

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SDM 8 Instalment credit business of retailers for May 1979

1974 and 1975 Report on the Censuses of Production (price including postage shown in brackets).

PA 1002 Summary tables: (£3.25½)
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East Midlands grows fastest in 1977

The fastest growing region in 1977 was the east Midlands. This is shown by figures for regional gross domestic product (gdp) per head published in the June issue of *Economic Trends*.

The pattern of growth in regional gdp per head at current prices in 1977 appears to have changed from the pattern between 1971 and 1976. In the earlier period the fastest growing regions were those benefiting from regional development aids – the north, Scotland, Wales and Northern Ireland. In 1977 all these regions except Wales grew by less than the national average. In Scotland and the north, the change may be partly atributed to a reduction in the stimulus from oil-related employment. The lower level of economic activity in these regions dampened the effects of regional incentives.

Gdp per head in greater London, west midlands and the south west grew faster than the national average in 1977, in contrast to below average growth in these regions in the longer period 1971-76. Growth of gdp per head in east Anglia remained below the national average.

Personal incomes in 1977

The narrowing of regional differentials between 1971 and 1977 was slightly greater for personal disposable income (pdi) per head than the corresponding changes in gdp per head. The change in pdi in 1977, like that of gdp, appears to have been against this longer term trend. Thus in 1977 the fastest growth rates in pdi per head at current prices were in greater London, west Midlands and east Midlands, the richer regions. Pdi per head in Scotland, the north, east Anglia and Northern Ireland all grew below the national average in 1977.

Inquiries: *Economic Trends*, monthly, is available from HMSO, £2.10.

Housebuilding and renovations: May

In May, 19 300 houses and flats were started in Great Britain compared with 25 100 in May 1978. Completions in May number 19 400 compared with 24 000 in the previous year.

Taking three months' totals to reduce the effect of month-to-month fluctuations, and discounting the normal seasonal movements, total starts in March to May were down 5 per cent. In the previous three months, December to February, and 26 per cent lower than March to May a year ago. Total completions were down 7 per cent on the previous three months and 22 per cent lower than a year ago.

In the public sector, making similar comparisons, starts were up 8 per cent on the previous three months but 31 per cent lower than a year ago, while completions were down 4 per cent and 28 per cent lower respectively. Private sector starts were down 11 per cent on the previous three months and 21 per cent lower than a year earlier, while completions were down 10 per cent and 17 per cent lower, respectively.

Inquiries: Department of the Environment, tel. 01-212 3490/7071.

Particulars of dealers in securities and of unit trusts

The following changes have taken place in parts 1, 4 and 5 of the 1979 edition of 'Particulars of dealers in securities and of unit trusts' published in May under the Prevention of Fraud (Investment) Act 1958:

Part 1 Holders of principal's licences

Name	Nationality of country of incorporation	Address
Additions		
Pkbankan Investments Ltd	Great Britain	49-51 Bow Lane, London EC4
Haldafield Ltd	Great Britain	Lloyds House, Lloyds Street, Manchester M2 5WH
Deletions		
Barnett Christie Ltd		
Continental Illinois Ltd		
Grimshaw Securities Ltd		
Change of address		**To**
Westavon Securities Ltd		Bush House, Prince Street, Bristol BS1 4HU
Suffolk Securities Ltd		601 Queens Quay, 58 Upper Thames Street, London EC4
Wallace Brothers Bank Ltd		33-36 Gracechurch Street, London EC3V 0AX
Brain and Company (Securities) Ltd		128 Cheapside, London EC2V 6BT

Part 4 Exempted dealers including Trustee Savings Banks

Deletions
Bentworth Trust Ltd
Bishopscourt Ltd

Part 5 Authorised unit trust schemes

Group and/or name and address of management company	Schemes	Trustee
ADDITIONS		
Craigmount Unit Trust Managers Ltd, 6th Floor, St Martin's House, 16 St Martin's Le-Grand, London EC1A 4EP	Craigmount Gilt Trust	The Governor and Company of the Bank of Scotland, The Mound, Edinburgh EH1 1YZ
Hill Samuel Unit Trust Managers Ltd, 100 Wood Street, London EC2P 2AJ	Hill Samuel Special Situations Trust	Midland Bank Trust Co Ltd, 27-32 Poultry, London EC2P 2BX
Intel Funds (Management) Ltd, 15 Christopher Street, London EC2B 2PE	Intel Smaller Companies Fund	Coutts and Co 15 Lombard Street, London EC3V 9AV
M and G Securities Ltd, Three Quays, Tower Hill, London EC3R 6BQ	M and G American Recover Fund	Lloyds Bank Ltd, 71 Lombard Street, London EC3P 3BS
Perpetual Unit Trust Management Ltd, 48 Hart Street, Henley-on-Thames, Oxon RG9 2AZ	Perpetual Group Income Fund	Barclays Bank Trust Co Ltd, 54 Lombard Street, London EC3P 3AH
Quilter Management Co Ltd, Garrard House, 31-45 Gresham Street, London EC2V 7LH	Quadrant International Fund	The Governor and Company of the Bank of Scotland, The Mound, Edinburgh EH1 1YZ

CHANGES

The following changes have taken place in the entry for 'Midland Bank Group Unit Trust Managers Ltd' in the scheme column

Delete	And replace by
Midland Drayton Growth Unit Trust	Midland Drayton Overseas Growth Unit Trust
Midland Drayton International Unit Trust	Midland Drayton North American Unit Trust

The following change has taken place in the entry for 'Britannia Trust Management Ltd' in the scheme column

Delete	And replace by
Britannia New Issue Trust	Britannia Special Situations Trust

The following changes have taken place in the entry for 'Antony Gibbs Unit Trust Management Ltd' in the scheme column against Antony Gibbs American Trust and Antony Gibbs Far East Trust

Delete	And replace by
The Governor and Company of the Bank of Scotland, The Mound, Edinburgh EH1 1YZ	Lloyds Bank Ltd, 71 Lombard Street, London EC3P 3BS

IN THE GROUP AND/OR MANAGEMENT COMPANY ENTRIES

Delete	And replace by
Framlington Unit Management Ltd, 5-7 Ireland Yard, London EC4V 5DH	Framlington Unit Management Ltd, 64 London Wall, London EC2M 5NQ

continued on next page

IN THE TRUSTEE COMPANY ENTRIES

Delete
The Royal Bank of Canada (London) Ltd,
30-32 Ludgate Hill,
London EC4M 7ND

And replace by
The Royal Bank of Canada (London) Ltd,
107 Cheapside,
London EC2V 6DT

CHANGES

Delete
Britannia Trust Management Ltd,
Continued

And replace by
Britannia Trust Management Ltd,
3 London Wall Buildings,
London Wall,
London EC2M 5QI

J. Henry Schroder Co Ltd,
120 Cheapside,
London EC2V 6DS

J. Henry Schroder Wagg and Co Ltd,
120 Cheapside,
London EC2V 6DS

TERMINATIONS

Lawson Growth Trust terminated on 31 May 1979 pursuant to the winding up of the trust by the managers under clause 38(c) of the trust deed

Made-up clothing: orders and deliveries in April

Made-up clothing

Index numbers of total orders and deliveries

	Orders-on-hand (end period)		Net new orders		Deliveries	
	December 1974 = 100		Average 1975 Deliveries = 100		Average 1975 Deliveries = 100	
1973	110		108		102	
1974	100		100		100	
1975	98		103		100	
1976	92		102		98	
1977	96		107		104	
1978	102		109		106	
	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted
1976						
1st qtr	90	93	96	97	99	98
2nd	114	104	113	105	96	99
3rd	87	93	87	102	98	97
4th	92	91	110	102	101	98
1977						
1st qtr	101	105	110	110	105	104
2nd	108	99	107	99	100	104
3rd	91	97	97	111	104	103
4th	96	94	113	107	107	106
1978						
1st qtr	93	95	104	107	103	104
2nd	113	102	117	106	103	106
3rd	98	107	95	110	108	108
4th	105	106	119	116	111	110
1979						
1st qtr	111	112	115	116	109	106
1977						
Jan	99	102	98	113	93	104
Feb	98	103	110	106	111	105
Mar	101	105	121	110	111	102
Apr	106	104	115	105	100	104
May	113	100	118	89	101	102
Jun	108	99	87	104	99	107
Jul	97	96	94	119	105	105
Aug	91	96	82	109	93	102
Sep	91	97	116	105	115	101
Oct	91	95	126	98	123	104
Nov	95	94	116	97	107	101
Dec	96	94	97	126	91	112
1978						
Jan	93	95	88	103	91	101
Feb	90	94	108	106	110	103
Mar	93	95	115	112	108	107
Apr	106	102	134	110	112	106
May	119	103	125	106	96	107
Jun	113	102	88	101	102	105
Jul	106	106	93	113	110	111
Aug	99	107	76	106	94	105
Sep	98	107	117	112	119	108
Oct p	101	107	131	105	122	104
Nov p	104	105	130	114	118	113
Dec p	105	106	97	129	94	113
1979						
Jan p	105	108	93	110	89	98
Feb p	104	110	115	114	114	107
Mar p	111	112	138	123	123	112
Apr	116	111	127	115	114	118

p Provisional.

Record reserves in July

UK official reserves rose by $1,429 million in July, including a revaluation of some $350 million arising from the exchange of gold for European currency units (Ecu) with the European monetary co-operation fund. Accruals of public sector borrowing under the exchange cover scheme amounted to $97 million and repayments to $291 million. A scheduled repayment under the IMF oil facility of $82 million was also made last month. At the end of July, the reserves stood at $23,499 million. The reserve total includes about $3,700 million worth of ECU's acquired by the UK as a result of the deposit of gold and dollars with the European monetary co-operation fund.

In the three months ended April 1979, deliveries by the clothing industry were provisionally estimated to have been 4 per cent higher than in the preceding three months while there was no change in new orders. Orders-on-hand at the end of April 1979 were 3 per cent higher than the end January 1979. (These comparisons are based on the seasonally adjusted series in the accompanying table.)

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent years.

All indices have been rebased from 1970 = 100 to 1975 = 100.

Inquiries: Department of Industry, Room 524, Dean Bradley House, 52 Horseferry, Road, London SW1P 2AG, tel. 01-212 0116.

New companies registered in Great Britain

Below are details of new companies registered in Great Britain during February 1979 showing nominal capital. The figures exclude unlimited companies and companies limited by guarantee.

Nominal capital	Total	Public companies	Private companies
Not exceeding £100	3 104	—	3 104
Over £100 but under £1 000	73	—	73
£1 000 but under £10 000	1 123	—	1 123
£10 000 but under £50 000	608	—	608
£50 000 but under £100 000	97	—	97
£100 000 but under £1 000 000	126	—	126
£1 000 000 and over	11	—	11
Total number	5 142	—	5 142
	£ thous	£ thous	£ thous
Total amount of nominal capital	85 924	—	85 924

Companies registered in Great Britain in 1978 and 1979

	1978		1979	
	Number	Nominal capital £ thous	Number	Nominal capital £ thous
January	4 555	31 447	5 421	63 536
February	4 316	38 325	5 142	85 924
March	6 024	52 299	—	—
April	5 031	47 396	—	—
May	5 939	59 998		
June	5 023	45 806		
July	5 264	57 870		
August	5 087	50 191		
September	5 484	92 414		
October	5 482	41 488		
November	6 131	60 558		
December	4 343	59 082		
Total	62 679	636 874		

The nominal capital figure of £59,082,000 for December 1978 as supplied in January 1979 is incorrect. The figure should read £58,962,000. As a consequence the total nominal capital figure for 1978 of £636,874,000 is also incorrect. This figure should read £636,754,000.
Inquiries: Cardiff (0222) 388588 ext. 2226.

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday 3 August 1979.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
BRITISH					
Review No. 12 (32nd Year)	BR/E 40140/4/8/84	10	2 August	Data Film Distributors Ltd	The National Coal Board
FOREIGN					
Allegro Non Troppo	F 40138	74	30 July	Essential Cinema Ltd	Bruno Bozzetto Film, Milan
Norma Rae	F 40139	115	31 July	Twentieth Century-Fox Film Co Ltd	Twentieth Century-Fox Film Corporation California
The Bermuda Triangle	F 40141	93	2 August	Sunn Classic Productions (GB) Ltd	Sunn Classic Pictures Inc California

Correction to the Register
The name of the maker of the film 'Dream of Passion' F 39910 registered on 29 January has been corrected to Melina Film EPE Athens.

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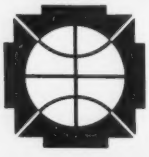

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